

The NATIONAL UNDERWRITER

Life Insurance Edition

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IT STARTED WITH A PICTURE
A PICTURE of a pair of masculine feet, cocked up in luxurious ease on the porch railing of a swanky resort hotel. The picture carried this caption—"Picture of how a man worries when he has a guaranteed retirement income."

That's all—just a pair of "dogs" at ease—but it meant a lot more to this prospect than all the talk he had ever heard about retirement income.

The picture appeared in THE ESTATE-O-GRAPH, a picture publication sent to him by an enterprising life underwriter. And when the underwriter called a few days later, he found the prospect ready to talk about retiring at 65, although he had told another underwriter just the week before that he was *not* interested in life insurance.

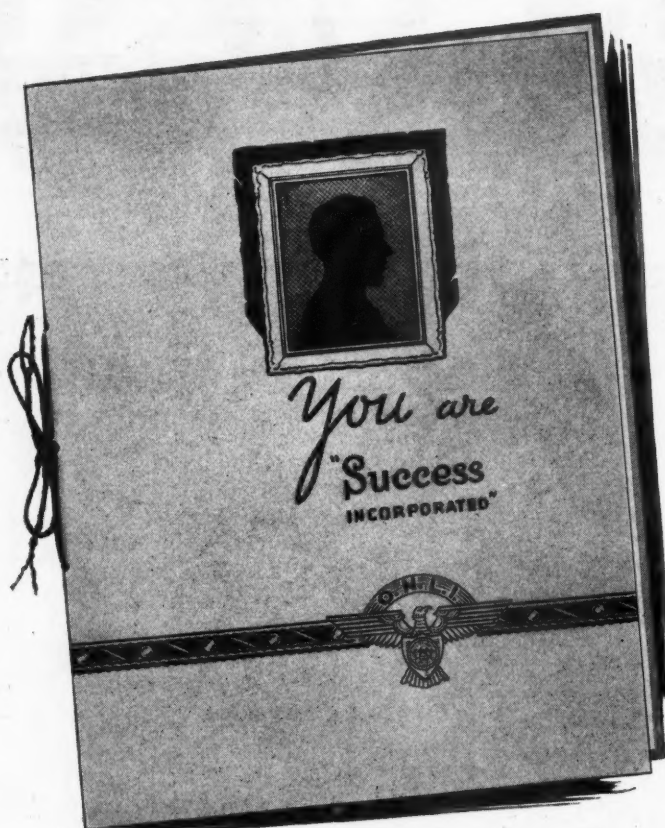
THE ESTATE-O-GRAPH is a monthly picture publication for you to send to your prospects. Each

issue contains eight pages of motivating pictures like this one. It is printed in Rotogravure. It carries the underwriter's individual imprint on both front and back pages. Each issue visualizes some benefit of life insurance with vivid human interest pictures.

THE ESTATE-O-GRAPH is interesting, unusual, distinctive. It interests the prospect in life insurance as applied to his particular situation, and creates a favorable impression for the underwriter whose name it carries.

Would you like to see a copy and learn more about the service? A request will bring you a sample copy and complete information—if the franchise for your town is available. Write THE NATIONAL UNDERWRITER COMPANY, 175 West Jackson Blvd., Chicago, or ask any National Underwriter representative.

FRIDAY, JULY 30, 1937



This Recruiting Book

has proved its merit through helping Ohio National General Agents and Managers in their recruiting work.

"You Are Success Incorporated" visualizes to the prospective agent the future the life insurance business offers, and the advantages of representing The Ohio National.

This Recruiting book is available for each General Agent's use.

For a General Agent's contract write—JOHN H. EVANS, Vice-President

THE OHIO NATIONAL LIFE INSURANCE COMPANY

CINCINNATI, OHIO

T. W. APPLEBY, President

Northwestern Mutual in Agency Meet

Optimistic Future Outlook Seen by President Cleary

Need for Life Insurance Greater—Conditions Better on All Fronts

The optimistic business outlook at the present time in comparison with the gloomy situation in 1932-33 was pictured by President M. J. Cleary at the annual meeting of the Association of Agents of the Northwestern Mutual Life in Milwaukee.

"The need of life insurance has never been greater than at the present time. The people have great amounts of accumulated funds, savings that want some place to go; places that are safe and will produce a fair return," he declared. "At the present time, we find the financial structure in a stable condition; excess of funds is available; volume of credit is as great as at any time in our history. Confidence in the financial structure is widespread," declared Mr. Cleary.

High Level of Activity

"Looking at industry we find that business in its various divisions and departments is moving at a high level of activity. The major industries have a fine, encouraging backlog of orders on their books.

"The number of people employed in industry, according to reliable industrial statistics, was 3 percent larger in June, 1937, than at the 1929 highpoint. Hours of employment are below the '29 level, but payroll is 2.4 percent above. Earnings of individuals are 18.3 percent over 1929, and the actual value of the worker's dollar in terms of things he buys, or the cost of living, is 12 percent greater.

"The worker has more dollars to spend and this is reflected in retail, wholesale, manufacturing, agriculture, professions and service fields. It all means something highly important to life insurance.

Will Reduce Interference

"Construction is the only important industry to lag. The need for construction is here. We have capital and credit to satisfy these needs. In time the economic forces and social demands involved will set building forces going; doubt, fear and interference will break down.

"Agriculture is in a highly favorable situation. There is an excellent crop which the world is waiting to absorb at prices satisfactory to the farmers. Meat and dairy product markets also are favorable to profit," said Mr. Cleary.

"Investors, both large and small, are

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Production Leaders in Various Classes Honored

The Northwestern Mutual Life adopted its so-called honor system in July, 1920, its outstanding feature being the fact that under its rules and provisions an agent strives to improve his own sales record. There is an annual classification of all agents who have three years average production in excess of \$150,000 a year. There is an annual award to the agent in each of the classes, A, B, C, D and E and in the group "N" gold and silver sections who makes the largest percentage gain over his own three year average in the classes or over his preceding year's production in group "N." All agents who were under contract less than three complete and consecutive years on June 1, 1936, and all new agents who entered into contract during the last agents' club year constitute the division known as group "N."

Buttons Are Given

A new agent who pays for \$150,000 or over in new business in any year before he has been under contract three full agent years is given a bronze button. If he makes an increase in the next year there is an award of a silver button. If he again shows an increase in the next year he receives a gold button. For those who aspire to the highest brackets, the honor system provides the "AA" and "XX" award, the former for the largest volume of reported business and the latter for the largest number of paid for lives. Annuities do not count in the calculation. The agents year extends from June 1 to May 31.

Herman Duval's Record

The honor men at the close of the Northwestern Mutual Life Club year deserve attention because of some of the records they made. Herman Duval of New York City, an "AA" man who led in paid for business, has reported net to the company, excluding annuities in 34 years, \$40,814,270, an average production of about \$1,250,000 a year. He is charter and continuous member of the Marathon Club, which is the club whose members pay for over and above a certain number of lives. During 22 years he has paid for insurance on 3,628 lives.

Work of a Village Agent

Emmett Cowell of Red Bud, Ill., a small town in a rural community, has been an agent since 1926, has been a continuous member of the Marathon Club for 11 years and this year he is the head. In fact, in six out of 11 years of membership he has been the president and the winner of highest honor. During the 11 years he has paid for \$3,365,500 on 2,065 lives. His average has been 187½ lives a year. Last year he paid for insurance on 250. He gets the "XX" award.

H. L. Peebles of Charleston, W. Va., paid for the second largest amount of

new business, his volume being \$1,411,545. His percentage of increase was 106.47. In 1935 he had the distinction of having paid for the largest amount of new business ever reported by a new agent in his first and second years with the company, \$1,010,000 and \$1,681,500 respectively.

A. H. Smith and I. C. Renfrew

A. H. Smith of Nashville, the Tennessee leader, and second producer in his class won the class C award which includes those who paid for between \$300,000 and \$500,000 on the average for three years. His amount last year was \$679,658, increase 87.96.

I. C. Renfrew, Hutchinson, Kan., the leader in his state, was the largest producer in class D which includes a three year average between \$200,000 and \$300,000. He paid for \$503,200, an increase of 123.33 percent over his three year rating. During his 21 years he has paid for \$5,623,487 and in only one of these years did he exceed his most recent annual production.

Pickell—Class E Leader

K. W. Pickell of Detroit was the leader in class E, which includes the three year average men producing between \$150,000 and \$200,000. He paid for \$347,000, an increase of 131.08 over his average paid for production for three years. He was the fourth largest producer in his class.

R. U. Redpath, Jr., of New York City, who has been an agent for three years and seven months, wins the gold button for making the highest percentage of increase, 93.9 percent over his silver button group. His group "N" production for the past three agent years totaled \$1,654,603. He is a member of the "Half Million-and-Over Club." His production \$844,492 is the highest amount paid for by a gold button winner in the last 10 years. H. F. Robinson of New York City is the winner of the junior certificate of honor awarded to the silver button class with the highest average increase over his bronze button production. His total paid for was \$282,377 representing an increase of 86.08. He has been an agent since Aug. 25, 1933.

Teeple Wins Agency Cup

The General Agency Achievement cup was awarded to P. G. Teeple, Marquette, Mich., for leading all general agencies of the company in a contest based on balanced factors between conservation and production progress.

The District Agents Cup was awarded Bruce W. Gilmore, DeKalb, Ill., successor to Cormack & Gilmore, three times winner, and district agent under B. J. Stumm general agency, Aurora, Ill. Dr. C. E. Albright who won the "AA" honors prize for 30 consecutive years, announced his retirement from further

Cantrall Honored at Northwestern Mutual Life Rally

Elected President of Agents' Association at Record Meet- ing in Milwaukee

MILWAUKEE.—With the large home office building auditorium overflowing and with loud speakers installed in adjoining smaller halls, the annual meeting of the Northwestern Mutual Life's Association of Agents was held here this week.

Evans Cantrall, Springfield, Ill., is the new president of the agents' association. Other officers are: vice-president, Ralph D. Theissen, Lincoln, Neb.; secretary, Westley Tuttle, Milwaukee. The standing committee of the association is composed of A. E. Baker, Indianapolis, chairman; H. R. Kaufmann, Minneapolis; Milton Koch, St. Louis; Thomas Lauer, Joliet, Ill., and Charles Hibbard, Detroit.

Albright Presents Greeting

Luncheons were held by the Special & Soliciting Agents Association, President A. E. Baker, Indianapolis, presiding; and by the District Agents' Association, Ralph Theissen, Lincoln, Neb., chairman. Dr. C. E. Albright, Milwaukee, who was for 30 years the Northwestern Mutual's premier producer until he retired from competition a year ago to be succeeded by Herman Duval, New York City, was chosen by the \$500,000-and-over Club at its breakfast to bring greetings to the general session when A. E. Baker, Indianapolis, presided as chairman. He reported 30 agents qualified for the club during the past agents' year by writing \$500,000 or more, while three agents wrote \$600,000 or more, three wrote \$700,000 or more, two wrote \$800,000 or more, and two wrote \$1,000,000 or more. Next to Herman Duval, New York City, with the largest personal production of \$1,588,350, was H. L. Peebles, Charleston, W. Va., and Pittsburgh, Pa., with \$1,411,545, who won the Class C award in 1935 and has the distinction of having paid for the largest amount of new business ever reported by a new agent in his first and second years with the Northwestern Mutual, namely, \$1,010,000 and \$1,681,500, respectively. This year he won the Class B award with a percentage of

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competition last year. His production was not revealed.

The production awards were made at the opening session of the annual agents' meeting in Milwaukee this week by Grant L. Hill, director of agencies.

Caution, Not Competition, Main Option Accord Snag

Probably of greater moment than competitive considerations in delaying inter-company uniformity on settlement option procedure are the variance in standard forms used and the lack of united opinion on just what may be done without running the risk of future litigation with the assured's heirs, or conflict with state laws, or at least undue complications and expense in putting the assured's wishes into effect.

For example, one company may have its standard settlement option forms set up in such a way that a desired modification may readily be made without necessitating a conference with the legal department and a vast amount of clerical work. Another company, however, may not have this particular set-up and in addition may feel that the first company's system doesn't cover all the necessary angles or that the contemplated arrangement is not permissible under the laws of the state involved.

Exact Uniformity Not Expected

It is not regarded as likely or even particularly desirable that there should be exact uniformity among the companies. Probably the first phase will be to get together on the essentials and iron out the minor wrinkles later. The trend to uniformity may not necessarily work in the direction of greater restriction except in so far as the fantastic settlement schemes are concerned.

In interchanging information on practices, it is quite possible that Company A will find that on certain points on which it had been particularly strict a number of other companies have been more liberal for years without any ill effects and that consequently Company A will feel that it has been needlessly conservative and might just as well loosen up a little.

Converse Also Applies

The converse of this may also be expected to hold true. A company which is ultra-liberal on some point is likely to feel that it is unnecessarily impairing its reputation for conservatism when it holds to its course in the face of a solid front of a score or so of the leading companies in the business.

There have been cases where an assured got a desired modification from the first company he applied to but was denied his request by all the other companies with which he had policies on the ground that it might result in future trouble for his beneficiaries. He then went back to the first company and had his policy changed to conform with the position of the other companies. In this way a company which held out against the considered opinion of the others in its field might find its liberality a competitive disadvantage rather than an advantage.

What Is "Reasonable" Expense?

Aside from the question of legality under the laws against perpetuities which many states have and of the possibility that a certain series of contingencies may result in a court fight among the secondary beneficiaries, there is the expense angle. Here again there is considerable divergence of opinion among companies as to just how much service the settlement option policyholder is entitled to. About 25 percent of business currently sold contains some form of settlement option and it is estimated that from 35 to 50 percent of death claims settled currently have this feature, put there by the insured or the beneficiary.

All this means tens of thousands of dollars of expense a year for a company of any size and there is no expense loading in the settlement option set-up. In addition the options are set up on a 3 percent interest guarantee basis and

actuaries are questioning the wisdom of attempting to predict several generations into the future just what the interest rates will be.

Double indemnity is an expense problem. Unless it is arranged to be paid out in the same proportions as the face of the policy or else paid in cash, it means virtually writing two separate settlement option agreements. This may be all right where a substantial amount of insurance is involved but overhead makes it expensive on smaller policies. Here again there is divergence of opinion. How large should a policy have to be before it is proper to grant this special double indemnity service?

Of the major points in connection with settlement option limitations, probably the most debated is how far into the future the companies should be willing to pay income to a secondary beneficiary. There is no thought of trying to limit the income-paying period to the primary beneficiary, even though she might live to be 100. But in case the primary beneficiary predeceases her child-

Ordinary Life Sales Up 8 Percent for Six Months

Nearly \$4,000,000,000 of new ordinary life (exclusive of group) was put in force in the United States during the first six months of 1937, according to the Sales Research Bureau. June contributed \$645,995,000 to the six months total of \$3,816,351,000, representing an 8 percent gain. All sections of the country have experienced a significant increase in sales during the last six months, although the middle Atlantic, west south central and mountain sections experienced a slight recession during June. For the country as a whole, June sales were 2 percent ahead of last year.

Details by sections for the month and year to date are given below:

June, 1937 First 6 Months					
	Sales Volume in \$1,000	Percent 1937 to 1936		Sales Volume in \$1,000	Percent 1937 to 1936
U. S. Total..	\$645,995	102		\$3,816,351	
New England 47,797		101		297,115	110
Middle Atlan. 181,383		98		1,118,409	106
East No. Cen. 147,103		108		870,905	111
West No. Cen. 63,508		101		357,801	104
So. Atlantic..	59,658	107		349,936	111
East So. Cen. 26,222		110		145,789	111
West So. Cen. 50,990		98		279,909	105
Mountain	17,149	98		99,545	104
Pacific	53,085	103		296,942	104

Sales by Cities

Boston ordinary life sales were off 4 percent in June with a gain of 4 percent for the first six months. Chicago was up 11 percent for both periods. Cleveland sales were up 21 percent in June and 14 percent for the year. Detroit was 21 and 9, Los Angeles 4 and 7. New York was down 1 percent in June and up 8 percent for the year. Philadelphia was up 1 and 9, St. Louis 15 and 6 percent.

Companies having \$400,000,000 or more insurance in force showed a 2 percent gain in June and 8 percent for the first six months, 52 percent of these companies showing gains in June and 86 percent for the year. The companies in the \$150,000,000 to \$400,000,000 class increased sales 6 percent both in June and for the six months, 61 percent of the companies showing gains for June and 72 percent for the year. In the \$150,000,000 class a 3 percent decline for June was shown and a 7 percent gain for the year, 52 percent of the companies reporting gains in June and 62 percent for the year.

dren—and she normally does, of course—what limit should companies set on the length of time they will pay income to the children before paying the unexhausted principal to the children?

The New York Life and the Prudential have ruled that if the principal beneficiary doesn't outlive the insured by 30 years, the company is willing to pay income to the secondary beneficiaries for the portion of the 30-year period remaining at the primary beneficiary's death. This means that the youngest child would be sure of a guaranteed income until he or she were at least 30 years old.

There seems to be little dissent about this plan as it applies to sons. Most people feel that if a man isn't fit to handle the lump sum that is coming to him by the time he is 30 years old he is never going to be and if he runs through it and he is just that much better off than the fellow who never had it to spend.

Daughter May Need Income

However, the situation is different when it comes to daughters. With all their increased freedom, women are not in the same economic boat as men, and it is frequently desirable to assure a daughter an income that a spendthrift husband cannot destroy by unwise handling of the principal behind it. On the other hand, to set no limit on the number of years that a company will pay income to a secondary beneficiary may be opening the way to guaranteeing an income for a period which could run to 100 years from date of issue.

One suggestion is that the income to the principal beneficiary would be a guaranteed one, as at present, the secondary's beneficiary's income would not, at least after a reasonable period, be at a guaranteed rate but only such as the company could earn. This plan, however, brings up the question of the fairness of keeping money tied up and yet not guaranteeing any definite return on it. Possibly some modification of this idea can be worked out which will guarantee an income to a man's daughters without exposing the companies to undue future interest drain.

Connecticut General's First A. & H. Head Is Dead

NEW YORK.—A. P. Woodward, 59, first head of the Connecticut General Life accident and health department and since 1925 a partner of the Goulden, Woodward & Gudeon agency of that company in New York City, died Sunday in Peck Memorial Hospital, Brooklyn, after a brief illness.

Earlier this year Mr. Woodward celebrated his 25th anniversary with Connecticut General. He left the Travelers in 1912 to become secretary of the Connecticut General accident department, the position he held until 1925, when he went into the general agency field. Mr. Woodward was regarded as one of the authorities on accident and health insurance.

Oversew Building's Erection

In addition to starting the Connecticut General in the accident business and having full charge of that field from 1912 to 1925, Mr. Woodward was responsible for overseeing the construction and layout of the present home office building, which was completed in 1926. During the first part of his residence in New York Mr. Woodward commuted between New York and Hartford, keeping a check on building operation as the structure was finally completed.

Mr. Woodward's principal hobby was sailing. He had a sloop at Toms River, N. J., his summer residence, and was commodore of the Toms River Yacht Club. He was head of the South Toms River town council. He was at one time vice-president of the New York City Life Underwriters Association and as a member of the New York State Life Underwriters Association worked with a committee on legislative and insurance department matters.

Varied Musical Program Arranged for Convention in Denver; Some Changes Made

Miss Katharine Fisher of New York, director of the Good Housekeeping Institute and a noted home economist, has been added to the program of the women's division at the Denver convention of the National Association of Life Underwriters. She will talk on "Women and Their Business." Miss Fisher replaces Judge Florence Allen of Cleveland, who was obliged to resign from the program because of a serious accident.

Mrs. Eleanor Young Skillin, who was scheduled to deliver an address, "Bestirring Ourselves," on the women underwriters' program during the Denver convention of the National Association of Life Underwriters, will be unable to appear due to illness. She is in a hospital and her doctor has advised that it will be impossible for her to make the Denver trip. She is with the Royer agency of Penn Mutual Life in Chicago.

Other Changes Told

Mrs. Celia R. Downes, Pacific Mutual, Boulder, Colo., who was scheduled to address the women's division sales seminar on "Problems of Approach," announces that she cannot keep the engagement. "Minimum Incomes for Life Underwriters" has been announced as the subject of A. E. Patterson's address before the Wednesday morning session of the convention.

Ernest J. Clark of Baltimore, state agent John Hancock Mutual, and Mrs. Clark, sailed for England Wednesday of this week. They will return in September. Mr. Clark thus will be unable to attend the annual meeting of the National Association of Life Underwriters in Denver. This will be only the second such convention that he has missed in the past 37 years. He is chairman of the American College of Life Underwriters and this will be the first annual meeting of the college that he has missed. He was scheduled to preside at the confirm exercises of the college in Denver.

Two noted quartettes and two singers and song leaders of international reputation will provide the entertainment on the main program. Houston and St. Louis, the contenders for the 1938 convention, will battle it out on the convention stage in song as well as story by sponsoring two of the entertainment features, while the host association will present a group.

Noted Song Leaders

Houston will have Walter R. Jenkins, a singer of international fame who has been official song leader at 10 International Rotary conventions. He will appear on the Wednesday morning program.

"The St. Louis Convention Bureau Quartet," a Negro group that has won much Missouri fame with its renditions of spirituals and popular songs, will present the St. Louis side, also on Wednesday morning.

Jules Brazil of Miami will be the official convention song leader, appearing on all general sessions and managing the entertainment for the fellowship luncheon. Mr. Brazil is an outstanding song-leader of civic and trade associations.

Colorado, the host association, will present a group of four singers known as the "Denver Cowboy Quartet," a popular local group. They will appear at the Thursday morning meeting.

MEETING FOR POLICYHOLDERS

DENVER.—A giant policyholders meeting will be held Tuesday evening during convention week, according to Isadore Samuels, general chairman of the local executive committee. Sponsored by the Colorado association it will be held in the city auditorium. It will be the first such meeting ever held in connection with the convention. Ar-

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Much Hinges on Treasury Rule on K. C. Life Agents

Avoidance of Changing Contracts to Exclude Employee Status at Stake

WASHINGTON.—Decision on the Kansas City Life's agent's contract expected momentarily from the internal revenue bureau, is awaited with particular interest by life companies as indicating whether the usual type of commission contract exempts ordinary agents from an employee basis under the social security act or whether companies must copy, virtually word for word, the Northwestern Mutual Life's contract, the only one which the bureau has so far exempted from employee status.

The bureau's decision in the case of Northwestern Mutual relieved the companies of the irksome and extensively complicated task of filing for each agent with the social security board, to say nothing of the expense involved in paying out contributions for old age benefits. But it still left the problem of revising agency contracts so that the internal revenue bureau would have to give the same favorable decision as it did in the Northwestern Mutual case. This would mean alterations in every agent's contract ranging from perhaps minor changes in wording to an entire new contract following exactly the language of the Northwestern Mutual's.

Massachusetts Mutual First Case

Decision in the case of the Massachusetts Mutual, the test case submitted before the Northwestern's, was to the effect that agents operating under it are employees within the meaning of the social security act. However, though the Northwestern Mutual decision has been published in the bureau's reports the Massachusetts Mutual decision was not published. This is taken by some observers to mean that the Massachusetts Mutual decision may be withdrawn, leaving the Northwestern Mutual decision to stand as representing the department's attitude, not only towards the Northwestern contract in particular but also toward the general run of agency contracts.

The Kansas City Life contract is more like the usual agent's contract than is the Northwestern Mutual's. The Massachusetts Mutual's is also somewhat more typical than the Northwestern's. However, it is generally felt that to term agents operating under the Northwestern contract independent contractors and the agents working under other companies' contracts employees is drawing a distinction where none actually exists.

Fear Exemptions Will Spread

The principal fear of the Treasury Department seems to be that if it exempts life agents operating under a commission contract it opens the way for exemption of all other salesmen operating on a commission basis. There are quite a few businesses which employ commission salesmen and exercise no more control over them than the life companies do and it has been the aim of the social security board and the internal revenue bureau to include everyone possible within the social security act and make no exemptions which could possibly be avoided.

If it turns out that under the present law all commission salesmen are exempt, it is regarded as quite possible that an attempt will be made to amend

Cut in Group A. & H. Rates Runs as High as 10 Percent

Favorable Morbidity Rate Is Given Recognition by Group Association Companies—Map Production Drive

The rates for group accident and health covers charged by companies belonging to the Group Association are being reduced effective Aug. 1. Policies written in July will take the new rates upon the next monthly premium payment dates.

The reduction varies according to the plan. For the most popular plan, upon which perhaps 85 to 90 percent of the business is written, the rate is reduced to 66 cents per month for each \$10 of weekly benefit. Heretofore the rate has been 73 cents. This is a non-occupational plan with benefits from the first day on account of accident disability and benefits from the eighth day on account of sickness disability. Where the sickness waiting period is only three days, the new rate is 86 cents as compared with the former rate of 89 cents.

The largest reduction is about 10 percent and on some plans the change is negligible.

For the past two or three years the

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the law so that such independent contractors are covered for old age benefits though not for unemployment benefits. Of more immediate concern is the probable action of the various states, quite a few of which have held that agents are employees within the meaning of their unemployment insurance statutes. As it stands now, a Northwestern Mutual Life agent in

On Special Committee of United States Chamber



FRANK W. McALLISTER,
Kansas City, Mo.

F. W. McAllister, vice-president and general counsel of the Kansas City Life, is one of the members of the special committee of the United States Chamber of Commerce to carry out its extensive program of activity in insurance for the next year. He is a former chairman of the Financial Section of the American Life Convention and is former attorney general of Missouri.

New York state, for example, is an independent contractor to Uncle Sam but an employee to the New York State tax commission.

Outside Viewpoint on Life Insurance Advertising Given

Experts in Various Fields Address Life Advertisers at Indianapolis Meeting

Constructive suggestions for improvements in life insurance advertising were given by several experts from outside of the business itself at the north-central regional meeting of the Life Advertisers Association in Indianapolis. Harry V. Wade, vice-president American United Life, general chairman of the committee on arrangements, presided.

"Insurance is about the happiest subject under the sun," said Lyman Templeton of the Don Herold Co., New York, who asked: "Why should so much insurance advertising wear funeral clothes?" He believes life insurance advertising could be made more effective by turning on the light and brushing away the suggestion of gloom.

"Don't forget that what you are selling fundamentally is happiness, even fun, for women and children . . . and for men in their later years," he advised. "True you are selling security . . . but security for what? Security for living, loving and laughing."

Much life insurance advertising is serious, long faced and institutional.

Advertising Should Help Agent

It is no longer necessary to sell the institution of life insurance, but the agent needs prestige and must establish himself as a personality in his community and through its publicity program the company can help the agent attain this position of advantage, he said. "The prospect doesn't object to life insurance as an institution; his resistance is to the agent."

He suggested that company advertising should (1) bridge the gap between the agent and the prospect; (2) educate and cultivate the prospect so as to move him over to an interview basis; (3) commit the agent to his promotion in such a way that he will not give up; (4) give the agent a continuous systematized prospecting procedure and guide him in this effort; (5) keep the agent at it long enough to get results and establish a routine.

He did not recommend the frivolous type of advertising but believes that a medium ground could be established. However, he said the cartoon advertising his company has done for a number of life companies has proved very successful.

Outlines Building of Campaign

Fred L. Fisher, advertising manager Lincoln National Life, set up a "production line" by means of a series of unfolding charts illustrating step by step the conception, building up and launching of an advertising campaign at the home office. At each step as the campaign is carried along the line, different groups in the home office meet and discuss the plan. The first step is for the advertising manager to sell his idea to the president and some director of field service. Questions considered at this conference are whether the idea is workable, whether it has ever been tested, whether the company can afford it, whether it can be promoted, whether it contains a universal idea and whether it will tie in with the company's traditions.

Mr. Fisher pointed out that company's purpose is to emphasize the picture of Lincoln so that when one sees this likeness he naturally thinks of this company.

John Burkhart, Indianapolis general

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Those Non-Repliers

The beginner in Direct Mail salesmanship eventually acquires wisdom. But at the outset he judges results by the number of replies from those to whom the pieces were sent. And is apt to turn up a skeptic nose, inwardly or outwardly, when told that the business obtained from non-repliers provides Direct Mail's super-profit. Well, here are some authentic figures:—

A year's mailing by one company was 111,000 pieces. There were 1,604 replies. In that group 231 bought \$769,843 of life insurance, for premiums of \$31,805. By contrast, 1,713 non-repliers bought \$5,667,820, and paid \$207,369 in premiums. The non-replier lives were almost 8 times as many as the repliers; the non-replier insurance was almost 8 times as much as the replier; and the non-replier premiums were about 7 times as much as the replier premiums.

These are typical life insurance Direct Mail proportions of replier and non-replier business. Non-repliers are more profitable than repliers. That's a law of Direct Mail!

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Arranging for Insurance Chair at State University

Texas Association of Life Underwriters Appeals to Home Companies to Back the Movement

A second meeting of the committee appointed by the Texas Association of Life Underwriters to arrange for the establishment of a chair of life insurance in the University of Texas will be held early next month. The initial meeting was held in Dallas, July 19. The committee consists of D. C. Bintliff, Houston; Matthew Brown, San Antonio; Barney Shields, Dallas; Ricks Strong, Dallas, and Alva Carlton, Houston, chairman. In addition there were present Insurance Commissioner Daniel and Dean J. A. Fitzgerald of the School of Business Administration of the university.

Brief Was Presented

The brief prepared by the committee was presented to the executives of 20 Texas legal reserve life companies as follows: American National of Galveston, Amicable Life of Waco, Fidelity Union Life of Dallas, Great American Life of San Antonio, Great National Life of Dallas, Great Southern Life of Houston, Gulf States Life of Dallas, Republic National Life of Dallas, Rio Grande National Life of Dallas, Seaboard Life of Houston, Southland Life of Dallas, Southern Old Line Life of Dallas, Southern Standard Life of Houston, Southwestern Life of Dallas, State Reserve Life of Fort Worth, Texas Life of Waco, Texas Prudential Life of Galveston, Texas State Life of Dallas, United Fidelity Life of Dallas, Western Reserve Life of San Angelo.

Want the Chair Financed

In the brief presented it was stated that if the chair were established by private endowments then the university must be assured that funds will be available for a sufficient number of years to insure the permanence of the work. At least a 10-year program should be adopted as the minimum, the committee states, and it is apparent that at least \$12,500 annually will be required. It is suggested that the Texas legal reserve companies sponsor this movement. The earliest date when the legislature would take this matter up would be January, 1939. The committee in its brief states that the authorities and board of regents of the university approve of and will support seriously the establishment of a chair of life insurance when sufficient additional funds are supplied. Although the university will retain complete control and direction over the department it will desire and expect constructive advice from the Texas legal reserve companies.

At the meeting of the Texas Association of Life Underwriters in June a resolution was unanimously adopted endorsing the establishment of such a chair. A proposed four-year course in life insurance is mapped out and suggested as a working plan.

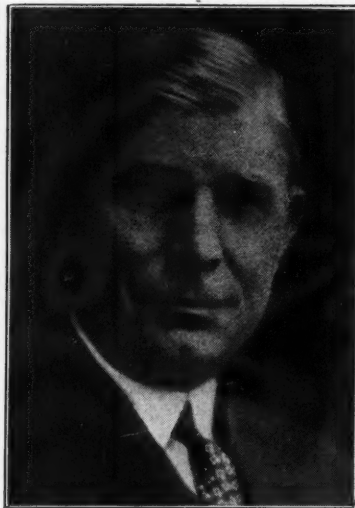
Indianapolis Life Picnic

About 135 participated in the annual home office picnic of the Indianapolis Life. Golf prizes were awarded to Newell Munson, H. M. Fleenor, A. H. Kahler, William McGowan and Eleanor Lyons.

Winners in other sports were: Swimming, Julia Ann Mennel, Irma Worth and Evelyn Kellogg; tennis, Sara Jordan and Raymon Freeman; croquet, G. W. Anawalt and B. C. Pfeiffer; horseshoes, Lloyd Thomson, actuary Indiana department, and Rosemary Massa; bridge, Beulah Dorman, Virginia Lawson and Mildred Martin.

E. F. Kepner, master of ceremonies, also announced the home office staff winners on the basis of insurance written during President's Month.

Prominent at Agency Convention



M. J. CLEARY, President



GRANT L. HILL, Agency Superintendent

President Cleary and Superintendent of Agents Grant L. Hill of the Northwestern Mutual Life were busy men this week inasmuch as the annual meeting of the agency association took place in Milwaukee. Both were prominent in the activities.

To Tax Philadelphia Premiums of Home Town Mutual Companies

PHILADELPHIA—In lieu of a 4-mill tax on assets of mutual life and mutual fire companies domiciled in this city, a 2 percent tax on premiums collected within the city limits is very likely to be imposed, effective Aug. 1. The city council is expected to vote such a tax this week.

The 4-mill asset tax was voted by the council but was vetoed by the mayor. The companies, it is understood, will not resist the premium tax, which would remain in effect for three years and four months. It is estimated that this tax will produce between \$200,000 and \$500,000 a year.

Four life companies and 11 fire companies will be affected.

Robert Dechert, counsel for Penn Mutual Life and attorney for the four life companies in the tax matter, declared: "We are perfectly willing to pay a reasonable tax. The new tax is not exactly by agreement, but it was understood the mayor would propose it and we would not contest it. We have said all along that we would agree to a tax restricted to business originating in Philadelphia. We can stand that on a three-year basis."

Old Republic in New York

Old Republic Credit Life of Chicago has been licensed in New York. Vice-president Jas. H. Jarrell is now in New York City completing some business connections that have been held in abeyance pending the issuance of the license. Old Republic successfully specializes in contracts with so-called industrial banks insuring unpaid personal loans against death of the borrower. Old Republic is now the third Illinois company licensed in New York, the others being Hercules Life of Sears, Roebuck & Co., and Victory Mutual, the Negro company.

Salary Savings Counsellor

The appointment of C. F. Sheedy as a salary savings counsellor in Pittsburgh is announced by the Reliance Life. He has been in the insurance business there for 23 years. Mr. Sheedy was born in Ireland, located in Altoona when a boy and moved to Pittsburgh in 1914.

American Life Convention Will Reduce Period of Its Annual Meeting One Day

The American Life Convention, which will meet at the Edgewater Beach Hotel, Chicago, Oct. 11-14, for its annual gathering cuts down its usual meeting by one day. The plan has been changed slightly. The Legal Section, as usual, will consume the first two days, Monday and Tuesday. The Financial and Industrial Sections will meet Tuesday, the Financial Section having a full day and the Industrial Section taking enough of the day to meet with needs of its program. The Agency Section will open the Wednesday program and the official general session will convene Wednesday afternoon, continuing through Thursday. The executive session, instead of being held the last afternoon, will be held Wednesday evening and the annual dinner dance will be held Thursday evening, the last feature of the convention. That plan therefore cuts off the former Friday sessions.

W. S. Newton with Paul Sanborn

Paul C. Sanborn, general agent for the Connecticut Mutual in Boston, announces the appointment of W. S. Newton, Jr., as supervisor of recruiting and training. Mr. Newton recently resigned as general agent in Newark, N. J. for the Atlantic Life.

In 1929, he started in the business with the Connecticut Mutual office in New York City then in charge of P. M. Fraser who is now vice-president. As a personal producer he demonstrated a marked ability which proved of definite value when he assumed charge of a full time unit in the ordinary department of one of the Prudential's New York City agencies.

Reiffen to Provident Mutual

Reuben Reiffen, who has been manager of the Newark office of the Home Life of New York for about two years, has resigned to become associate general agent of the Provident Mutual Life in Paterson, N. J., where A. F. Gillis, general agent for northern New Jersey, has opened a branch office.

Before going to Newark he was with the Home Life in Paterson in a supervisory position.

New Responsibilities Are Imposed on Field Heads

Superintendent of Agents Kenagy of Mutual Benefit Charge General Agents Cook and Parsons at Banquet Meet

Responsibility for carrying out the Mutual Benefit's new field development program, which is calculated to result in quality business and quality agents, was imposed by H. G. Kenagy, superintendent of agents, upon Paul W. Cook and Bruce Parsons, the new Chicago general agents, at a dinner. Honors were paid also to A. A. Drew, retiring general agent, and A. S. Ingersoll, who takes charge of the new clearing house in Chicago and was for many years assistant to Mr. Drew.

The Mutual Benefit's new rules require that every agent do a quality job and earn a good living and the respect and confidence of clients. The general agents must first select and train agents with these objectives in view, then eliminate selfish, bungling agents, and be interested more in this building program than in volume of business. Even ineffective older agents must be eased out of the business.

More will be done for the general cause of life insurance by such a program, Mr. Kenagy believes, than by any other method. He read a letter from President Hardin felicitating the new men.

Many Notables Attend

Home office officials, general agents from a wide area in the central west and officers of various Chicago life organizations attended the gathering. Mr. Drew, who has been somewhat ill, decided not to undergo the emotional strain of so ceremonious a leave-taking, and went to his summer home in Maine with Mrs. Drew. By letter he bade his many friends good-bye.

The loyalty of his staff found expression in a resolution read by Norman Anderson, which emphasized his uncompromising devotion to right principles, unstinted giving of self and genuine, sincere interest in people. C. C. Otto, St. Louis general agent, was toastmaster.

Four home office officials were present, including besides H. G. Kenagy, G. F. Ream, assistant superintendent of agents; Carroll Travis, field service manager; and Harold Smith, assistant agency department. Out-of-town Mutual Benefit general agents attending were: J. S. Drewry, Cincinnati; F. N. Winkler, Cleveland; W. S. Cochrane, Peoria, Ill.; John Brown, Louisville; R. R. Stotz, Grand Rapids; H. L. Choate, Washington; E. C. Hawes, Bangor, Me.; M. J. Ream, Pittsburgh; H. M. Solenberger, Springfield, Ill.; F. C. Hughes, Milwaukee, and Virgil Samms, Indianapolis. Messrs. Choate, Otto, Hawes and Hughes were developed and trained by Mr. Drew. F. E. Stewart, managing agent of Davenport, Ia., also was present.

Solenberger Reminisces

General Agent Solenberger, whose Mutual Benefit service started in 1903, and who has known Mr. Drew for nearly 30 years, gave highlights of his character, saying he was a man who could fight as well as love; who had principles for which he stood even if he had to stand alone. Mr. Drew was one of the earliest company men—as Mutual Benefit superintendent of agents—to take a militant stand for quality of business and agents, and to push for education of agents to place them on a professional basis, Mr. Solenberger said.

Greetings to the absent Mr. Drew and to Messrs. Cook and Parsons, also were extended by Mr. Hughes, A. E. McKeough, president Chicago Association of Life Underwriters; Frederick Bruchholz, the past president; E. M. Schwemm, president Chicago chapter of C. L. U.; B. H. Groves, president Life Agency Supervisors of Chicago; Harold Eck-

In the seventy years since the company was founded, Union Central has paid to policyholders and beneficiaries more than \$740,538,080.

Momentum Will Be Increased by New Arrangement

Washington National's Ordinary Life and Commercial Accident Departments Are Strengthened

The merger of the Great Western Life of Des Moines with the Washington National of Chicago will increase the momentum and strength of the Chicago company and will add especially to its ordinary life insurance in force and its commercial accident and health insurance. The Great Western has not written any industrial business. The Great Western's life business amounted to over \$18,000,000, divided into life \$4,038,091, endowment \$12,950,841, term \$1,117,153. Its accident and health policies have all been on the commercial basis, the premiums last year being \$586,450 earned.

The Washington National Life is divided into four departments. The first is the industrial, which includes weekly payment life, health and accident. Of its life insurance in force amounting to \$51,527,252, \$39,971,027 at the end of the year was industrial.

Monthly and Commercial Division Arrangement

The second division of the Washington National is the monthly and commercial, which is composed of monthly payment and commercial accident and health lines.

Next comes the ordinary life department writing all forms of life, endowment and annuity contracts.

Then it has a group department, its premium income this year being \$1,000,000. The Washington National declares that it has more teachers' A. & H. group on its books than any other company. It writes also newspaper accident business, the premium income this year being \$900,000, which is a very sizable department in itself.

The industrial department agents are on a full-time basis. While there is dovetailing more or less in the field yet each department is operated rather independently, agents however writing all lines of business. They are specialists. Those writing industrial for example devote their time very much to that one field although they write accident, health and ordinary business. The Great Western, therefore, will bring to the Washington National a considerable volume of ordinary life business and commercial accident and health. It will also give the Washington National a greater field force in Iowa, Minnesota, Colorado, Kansas and Missouri. It will bring the combined life insurance in force to \$70,000,000.

Writing Many Lines of Personal Coverage

The Washington National is now writing ordinary life, industrial life, intermediate life, group life, commercial accident and health, monthly accident and health, group accident and health, industrial accident, automobile personal accident, newspaper accident, railway instalment, franchise and credit union.

Hooper-Holmes Changes

J. Edward Bailey, Los Angeles manager Hooper-Holmes Bureau, has been transferred to Richmond, Va., as manager. C. A. Tobin formerly of the Los Angeles office, has been transferred to San Francisco.

Washington National Has Been Growing Rapidly

Shows Million Dollar Premium Gain This Year without Great Western

The Washington National of Chicago from a financial standpoint is an interesting institution and is growing rapidly but soundly. It will show an increase of \$1,000,000 in premium income this year aside from the Great Western. Its premium income last year increased \$862,817. Its assets will increase \$1,250,000 this year aside from the amount received from the Great Western. Its assets at the close of the year were \$5,219,799, increase \$1,129,179. Its life insurance in force was \$51,527,252. Its increase was \$7,878,566. The total premium income of the combined company will be \$8,600,000 this year.

Washington National Assets Diversified

The Washington National assets are very finely balanced and diversified. For instance, it had cash on hand at the end of the year 11.14 percent of its assets; federal government securities, 22.76; FHA mortgage loans, 15.18; state, county and municipal bonds, 19.31; railroad bonds, 7.34; public utilities, 5.73; other mortgages, 9.65. Its policy loans show the low figure of 1.03 and its real estate is only 0.42 of 1 percent. Its net surplus over and above capital and all other liabilities was \$1,101,169. Less than three-fifths of 1 percent of the assets are invested in the obligations of any one corporation. It has been investing largely in government securities and FHA mortgages. About 95 percent of the real estate mortgages, which amount to \$503,643, were made during 1935 and 1936 on the basis of low appraisals then current. The company has felt it highly desirable to have a very liquid portfolio.

Has Not Been Forced to Borrow Money

It has not found it necessary to sell any securities to get ready cash or borrow from any source to carry it along. It makes the interesting statement that it can liquidate all liabilities in 24 hours without impairing its capital or surplus. In taking over the assets of the Great Western Co. it adds to its portfolio without bringing in any so-called "cats and dogs." Fifty percent of the assets of the Great Western are in bonds. Seven percent of its assets are real estate on which 7.2 percent was earned. It has 2 percent in mortgages on which 5.8 percent was earned. Its policy loans are 14 percent. Its accident and health department assets constitute 34 percent of the total. It had a net surplus of \$150,000.

The Great Western started in the latter part of 1894 as the Imperial Accident and in 1901 its name was changed to the Great Western Accident. Later the name was changed to the Great Western Insurance Company as it began to write regular forms of life insurance. It has in force \$18,274,085, all ordinary insurance. It has not written any industrial. Its accident and health insurance is on the commercial plan. Its premium income in that department during the four-year period, ending Dec 31 last, totaled \$2,179,596. Its premiums earned last year on accident and health were \$586,450. It wrote in new life insurance last year \$3,239,930. Its net cost to policyholders all along has been low. The cash yield on its assets as a whole was 4.9 percent last year which is an excellent return.

Officers Are All Men of Practical Insurance Experience and Training

The Washington National is particularly proud of its official personnel. The officers are all men of practical insurance experience. They have all had training in the field prior to going to the head office. For instance, H. R. Kendall, chairman of the board, has had 44 years of experience. George R. Kendall, the president, has been in the service for 36 years. Charles B. Crawford, senior vice-president, has been in the line 35 years. Vice-president and Secretary James F. Ramey has chalked up 37 years. Treasurer C. P. Kendall has a record of 37 years. Altogether there are about 350 years of personal and successful insurance experience behind the Washington National. Chairman Kendall was with the Prudential for 29 years, starting with the rate book. The Washington National, therefore, has the advantage of having a seasoned and well trained list of officers who have had their feet firmly imbedded in the soil and know insurance so far as life, accident and health is concerned, from the grass roots up.

Antecedents of the Washington National

The Washington Life & Accident of Springfield, Ill., was the predecessor of the present Washington National, the former having been organized by Chairman H. R. Kendall and President G. R. Kendall. This was in 1911, and in 1917 the home office was moved to Chicago. The Fidelity Life & Accident was organized at Louisville in 1923 by H. R. Kendall, who had been a silent partner in the Washington Life & Accident. In 1926 the Washington Life & Accident and Fidelity Life & Accident merged and the organizers purchased the United States National Life & Casualty of Chicago, the united company then becoming the Washington National. In 1931 the Washington National reinsured the accident and health business of the American National of Galveston.

Vice-president and Secretary James F. Ramey became connected with the Fidelity Life & Accident when it was organized, he previously having been banking commissioner and later Kentucky insurance commissioner. He became vice-president and secretary of the present company in 1926. Vice-president C. B. Crawford joined the Washington Life & Accident at Springfield, Ill., in

(CONTINUED ON LAST PAGE)

Ideal Working Conditions for Washington National

The Washington National, following the merger of the three constituent companies, established its home office on Howard street, the dividing line between Chicago and Evanston. Late last year it decided to move to Evanston and it now occupies the entire building at 610 Church street, with the exception of the ground floor. It is directly opposite the Evanston Public Library, which gives it an artistic and open outlook. Here it has ideal working conditions, plenty of light and fresh air. It finds that the postoffice, telegraph, telephone and banking facilities are entirely adequate and just as speedy and serviceable as if it were located in the Chicago loop district. The building is modern and well systematized. It is a handsome structure and the Washington National has made its internal arrange-

Coordinate Work to Handle New Company Setup

Special Great Western Division Established at Des Moines — Rearrange Supervision

Following the merger of the Great Western of Des Moines with the Washington National of Chicago, there have been some official changes in order to coordinate and systematize the work to better advantage. The business of the Great Western for the time being will be carried on from Des Moines in its head office and will be known as the Great Western Division of the Washington National. The Washington National has duplicated all the Great Western policy contracts so that its agents will carry on just as they have before. There will be no cessation in any of the activities as the Washington National desires to make all the Great Western people feel perfectly at home.

Great Western Men Made Vice-presidents

President W. G. Tallman, Secretary-Treasurer B. H. Gross and Vice-president V. E. Nutt of the Great Western have been elected vice-presidents of the Washington National. There are 60 home office employees of the Great Western and it has 500 agents so that it has a very sizable organization.

At the Washington National home office Vice-president H. Brookes Kendall takes executive charge of the "Great Western division" working with Vice-president Tallman and his associates. Heretofore the Washington National has had five divisions of its industrial branch. The midwest division was in charge of H. Brookes Kendall as vice-president but it is now merged with the central division in charge of Vice-president Curtis P. Kendall and will hereafter be known as the central west division in charge of C. P. Kendall. The eastern division continues in charge of Resident Vice-president J. J. Krist at Baltimore. The Pacific Coast industrial division is in charge of Assistant Vice-president J. L. Lourie. The southern division is in charge of C. B. Crawford, vice-president.

Leon Ramey and W. A. James Receive Promotion

F. Leon Ramey, manager of the industrial claim department, has been chosen assistant secretary of the company and becomes assistant to Vice-president Curtis P. Kendall.

W. A. James, who has been assistant secretary at the head office, becomes assistant vice-president. He has been acting as assistant to H. Brookes Kendall. Mr. James will be another right hand man of C. P. Kendall.

Another important announcement in connection with the merger is the increase of capital of the Washington National from \$1,000,000 to \$1,250,000. The capital of the Great Western is \$250,000 and that is being transferred to the Washington National. The Washington National capital was increased from \$600,000 to \$1,000,000 last year. The original capital was \$300,000.

ments inviting and yet very convenient as a working place. The Washington National is entered in 46 states and pays 1,000 claims every eight-hour day on the average. It operates also in the District of Columbia.

Mutual Benefits in Illinois Up Against Getting Bonds

Surety Companies Found Loath to Issue Faithful Performance Guaranty on Such Risks

Mutual benefit concerns of Illinois may have a difficult time ahead due to the provision in the new code that their officers must file by Aug. 1 corporate surety bonds running to the association and in penal sum double the amount of the benefit fund.

Mutual benefit officers have been scurrying around in Chicago from one surety office to another trying to secure these bonds so they can qualify, but it is understood have had little if any success. A number of offices rejected such offerings. Some underwriters passed the submissions on to their home offices.

Proper Rate Problematical

There is no Towner rate definitely for mutual benefit bonds. These concerns might possibly fall under the heading of beneficial associations, such as fraternal for which rates are carried in the manual. However, underwriters feel the rate for fraternal honesty or faithful performance bonds will be totally inadequate to cover honesty or faithful performance of proprietors of mutual benefit concerns, as well established fraternal are totally different in character. Their officers are elected by the members by popular vote and usually are leading members and prominent citizens in their communities. They get only small salaries, if any at all, and there is little opportunity or incentive for the officers to profit at the expense of other members by manipulation of funds.

Profit Factor Is Important

Surety offices look upon mutual benefit concerns as one-man affairs, organized mainly for profit by the proprietors. There are no statutes clearly defining the official duties and obligations of mutual benefit officials, although the new Illinois code is much more specific about how they must be operated than was the old insurance law.

The new code requires that benefit funds be conserved and used only for payment of claims and not for paying any expenses. Surety men say that if a mutual benefit official even with honest intent should violate this provision, that act would involve a faithful performance bond if he should carry one.

The new code does not specify whether what is required is an honesty or faithful performance bond. Surety men are very loath to issue the latter on mutual benefit proprietors, but they fear almost as much to issue an honesty bond. It is felt that in a court case the judge or jury might read into an honesty bond on a mutual benefit official the "faithful performance" clause which they consider to have very disastrous possibilities in the case of such concerns.

May Specially Rate Risks

The rate in Illinois for the honesty bond on fraternal officials is \$5.63 per \$1,000 and for the faithful performance bond \$8.50, there thus being approximately 50 percent penalty rate for the addition of the faithful performance clause. If written at all, the mutual benefit bonds probably will be specially rated, and the scale will be much higher.

The Illinois code's mutual benefit section provides that the benefit fund must be at least \$1,000 plus \$200 for each 100 members in excess of 500. If the fund should fall below this minimum, the section relating to the bond requirement states, the amount of the bond shall be set at double the amount of the benefit fund in the previous year.

Funeral Business Increases

MONTGOMERY, ALA.—Superintendent Julian reports a marked growth in funeral policies in force in Alabama. The 400,000 total in force Dec. 31 was

increased to 600,000 by June 30. Mr. Julian attributes the development of this business to the cost consciousness of the public in the matter of funeral expenses. A new law passed in 1935 provides close supervision, adequate rates and competent reserves for companies writing this class of business.

Idaho Agents Are Warned

Inasmuch as only about half the agents of Idaho have applied for licenses under the new agents qualification law of that state, Commissioner Bakes has issued a warning. The effective date was July 1, but the department granted a grace period until Aug. 1.

Agents who have been licensed for two years are not required to take an examination but applicants for new license must pass written examinations. Each company is required to secure for each of its agents a license, costing \$3. Each fire and casualty agent in addition must have an individual sales permit. The cost is \$10 the first year and \$5 for each year thereafter.

Earl M. Schwemm of Chicago, Illinois manager Great-West Life, announces the birth of a second son, Richard Earl, weight 7 pounds 13 ounces. The Schwemms' other son, John Butler, is 3 years old.

New Edition of Iowa Reference Book Is Issued

The Iowa Underwriters Hand-Book, the annual state reference book and directory from the press of THE NATIONAL UNDERWRITER, comprises now about 600 pages. Iowa is a great home company state and full information is given regarding those companies as well as all licensed corporations. It gives complete information as to agencies, companies, field men, general agents, adjusters, attorneys, organizations. It records the agents in all cities and towns and their companies. Iowa is an important insurance state and the Iowa Hand-Book gives full information insurance-wise, making it an invaluable book of reference.

Reece Ends Prison Term

J. I. Reece, former Tennessee commissioner, convicted of stealing \$100,000 of bonds entrusted to his department and sentenced to three to 10 years, has been paroled from prison after serving a little more than two years.

Reece contended he had been "double-crossed." He said he entered a "political agreement" in connection with the sale

of \$90,000 of the bonds, and declared he was left "holding the bag."

Mr. Reece announced that he planned to open an insurance office and was through with politics.

California 1936 Results

SAN FRANCISCO.—Life and disability premiums in California were \$220,844,880 in 1936 against \$212,328,430 in 1935, the advance report of the insurance division shows. Losses paid in 1936 were \$66,022,361 against \$62,229,736 in 1935. Mutuals, foreign companies and chapter 8 concerns show decrease in premiums, with increase of over \$5,000,000 by fraternal and an increase by stock carriers.

Martin in New Position

S. C. Martin, the new general agent of the National Life of Vermont for northern California, has his headquarters at 231 Crocker-First National Bank building, San Francisco. He attended Washington University at St. Louis and studied life insurance selling at the New York University summer school. He has been a large personal producer and organizer.

Cash in on social security with a benefit slide rule. Gets business. \$1. Order from National Underwriter.

MINNESOTA MUTUAL

Ranks with the biggest and best on the six fundamental measures. For instance, take the low Mortality Rate. Figures are percent of actual to expected mortality during 1936.



Average of 25 largest companies	60.7%*
MINNESOTA MUTUAL	52.1%
Average—25 largest Mutuals	58.0%*

WE OFFER

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular — Juvenile — Women — Group — Payroll Savings, etc.
10. Low Monthly Premiums.

A \$200,000,000.00 Mutual Company, 57 years old with an understanding co-operative Home Office.

This is the fifth of six statements of FACT about the Minnesota Mutual. If you want them all at once, write us for our booklet "FACTS."

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

SAINT PAUL, MINNESOTA

*From Spectator Life Agents Brief—1936 Edition

Life Advertisers Announce Discussion Group Feature

Topics for Annual Meeting Include Those Brought Out in Survey by Research Bureau

C. C. Fleming, Life Insurance Company of Virginia, and R. G. Richards, Atlantic Life of Richmond, president and general convention chairman respectively of the Life Advertisers Association have arranged a novel program for the convention to be held at Old Point Comfort, Va., Sept. 21-22. The entire program will be built around discussion groups.

Groups and Leaders

The selection of topics for group discussion was made after a careful study of the various classifications contained in the Research Bureau advertising survey, taking those which seemed to be of the most importance at this time. These topics and the discussion leaders are:

Recruiting—John H. McCarroll, Bankers Life of Des Moines.
National Advertising—L. J. Evans, Northwestern Mutual.
Direct Mail—L. B. Hendershot, Berkshire Life.
Calendars—C. S. Davis, Provident Mutual.

Sales Promotion—D. Bobb Slattery, Penn Mutual.

House Organs—W. L. Camp, III, Connecticut Mutual.

Trade Journals—C. C. Robinson, Editor, "Insurance Salesman," Indianapolis.

Radio—Ed. M. Kirby, National Life & Accident.

The field of institutional advertising—Life Insurance Week, public education, etc.—will be fully covered on the final day of the meeting by Kenneth Miller of the Research Bureau who will be assisted by C. T. Steven, Phoenix Mutual Life, and others.

President Skoglund Honored

Agents of the North American Life & Casualty of Minneapolis staged a one day drive for applications on President H. P. Skoglund's birthday anniversary. Eighty-four applications were turned in on the day for a sizable volume. Mr. Skoglund was presented with the applications at a surprise luncheon held at the home office. The entire arrangements were under the direction of A. J. Giebel, manager of the health and accident department. All home office employees and a number of agents participated in the festivities.

Lebby Offers Convention Trip

W. E. Lebby, Los Angeles, state manager Massachusetts Indemnity, who gets a large volume of noncancellable accident and health business from life men in that city, has been offering a bonus on all business written prior to Aug. 15, to be used to finance a trip to the meeting of the National Association of Life Underwriters in Denver.

President O. J. Lacy of the California Western States Life and Mrs. Lacy are on a trip to Honolulu. The company operates in the Hawaiian Islands. It is interesting to know that the California Western States started the first of the year to increase salaries of the clerical help. During the depression no reductions were made for persons earning less than \$200 per month. Since Jan. 1, the increases augmented the company payroll about 8 percent.

TAKE BOTH Life men who write automobile or fire insurance, as well as life, should read *The National Underwriter* (Fire, Automobile and Casualty Section, \$4 a year), as well as the *Life Insurance Edition*. Both on one subscription, \$5.50 a year. Send order now to A-1946 Insurance Exchange, Chicago

Research Bureau Scholars Own \$38,943 Insurance Each, Report at Chicago Dinner

The 51 scholars attending the Sales Research Bureau school in Chicago, that has now adjourned, own a total of \$1,986,000 of insurance, the average per man being \$38,943.

The results were announced at the banquet, which closed the school. Frank C. Wigginton, Bankers Life of Iowa,



F. C. WIGGINTON

Pittsburgh, who was elected president of the school, was toastmaster.

Such an analysis is developed at each bureau school. The average at the Chicago school just closed was the highest of any such group so far. At the school in Chicago preceding the one just closed, the average per man was about \$34,000.

Guessing the Average

Prizes were given to those who guessed the average most closely.

A. Thayer, Prudential, Seattle, won the first prize. His guess was \$38,840. H. W. Baird, Reliance Life, Chicago, was second with a guess of \$37,900. S. G. Breckenridge, Bankers of Iowa, Harrisburg, Pa., and C. B. Devol, Jr., Great-West Life, Chicago, tied for third.

At the head table during the banquet were J. M. Holcombe, Jr., manager Sales Research Bureau; G. J. Mecherle of Bloomington, Ill., president State Farm Life; A. R. Hustad, Northwestern National, Minneapolis, who was treasurer of the school; H. R. Kaufmann, Northwestern Mutual, Minneapolis, vice-president of the school; Lou Behr, famous millionaire producer of the Equitable Society in Chicago, who had addressed the school at one of the business sessions, and J. H. Jamison of the Research Bureau, who was in general charge of the school. K. R. Miller of the bureau was in charge of dinner arrangements.

Alumni Attend Dinner

In addition to the graduating class, a number of alumni of former schools attended the dinner, the total being 106. M. L. Seltzer, Aetna Life general agent in Des Moines, attended. Carl Peterson, vice-president Northwestern National Life, was on hand. Barrett Woodsmall and M. B. Cederstrom of the American Service Bureau were there.

On the closing day, President E. A. Olson of Mutual Trust Life made a talk. The school got out a clever publication entitled "The Egotist" in the format of the menu in the marine dining room of the Edgewater Beach Hotel. Most of the work on this was done by C. S. Davis, editor of publications Provident Mutual, one of those at the school. Much emphasis was given during the school to the necessity of the manager recognizing the ego of the agent, hence the title of the publication

Guardian Life's Convention Hears of Rise in Business

Leaders Club Had Its Annual Gathering at Banff—Chief Features of the Muster

At the Leaders Club convention of the Guardian Life at Banff, Can., the opening session was in charge of W. C. Ross of Milwaukee, club president. President Carl Heye of the Guardian was introduced. He reported a gain of 11.5 percent in new paid business the first six months, a decrease of 14 percent in terminations and a gain of \$10,189,968 in business in force. This exceeded that for the entire year of 1936 by over \$500,000. The assets increased to \$120,000,000, gain \$4,300,000. The interest income was 8 percent higher and the net rental income showed a gain of 129 percent.

Winners Are Announced

Vice-president James A. McLain sounded the convention keynote. He made the awards and announced the honors as follows:

Walter C. Ross of Milwaukee, Leaders Club president, individual leadership in paid production for both years of club period and top honors in President's Club.

C. T. Ballew of Kansas City, President's Club runner-up, member of the quarter-million club, with 122 paid lives in past year and 53 consecutive weeks' production.

W. R. Evenson of Buffalo, first-year man, with quarter-million club and President's Club membership, 114 paid lives, and 60 consecutive weeks' production. Manager R. A. Trubey of Fargo, leading manager in personal production, President's Club member, and leader of entire field in paid lives with 158 during past year; Mrs. Berenice Meistroff of Kansas City, President's Club and quarter-million club membership and 129 consecutive weeks of production. B. W. Fane of Shreveport, President's Club and quarter-million club member with 93 consecutive weeks of production.

Other Leaders Are Named

L. W. Shultz of St. Paul, Al Hagemaster of Denver, Sam Baum, Jr. of Kansas City, and E. O. Tchannen of St. Louis, all four of whom earned President's Club membership, paid for more than 100 lives during the past year, and had from 72 to 126 consecutive weeks of production to their credit.

Jack Leventhal of New York City, President's Club member and runner-up among all producers in paid-for business during past club year.

Max Gurevich of New York City, President's Club membership and No. 3 producer for past club year.

At the second morning's business session Superintendent of Agencies Frank Weidenborner presided. Talks were given by L. R. Nicholas, supervisor at Jacksonville, Fla., and Manager Lynn S. Broadus of Chicago.

A feature of the program was the presentation of the President's Cup by President Carl Heye to the leading agencies in all-around achievement during the past two years, the awards going to New York City, Leyendecker agency, for 1935 and to Pittsburgh for 1936. Service pins were presented to veterans celebrating quinquennial anniversaries, with Man-

which was gotten out by the scholars "to satisfy their craving for ego recognition."

During the evening a number of clever skits were staged by the scholars, lampooning each other and their professors. Aetna Life had eight representatives at the school, Bankers of Iowa and Prudential had five each, Great-West Life, Northwestern National and State Farm Life three each.

Reappoints O'Malley Conditionally For 1 Year

JEFFERSON CITY, MO.—Superintendent R. E. O'Malley will continue in office conditionally until July 1, 1939. Governor Stark announced Tuesday upon his return from Colorado Springs, where he conferred concerning O'Malley with T. J. Pendergast, Kansas City Democratic leader and sponsor of O'Malley.

The governor said that if Mr. O'Malley does anything in the next year of which he does not approve he will be removed forthwith. At the end of the year of probation the governor expects to name a permanent successor to O'Malley whose four-year term expired on July 1. The governor indicated that under no circumstances will he name O'Malley for the permanent appointment after July 1, 1938.

Stark's refusal to reappoint O'Malley for a full four-year term was a severe blow to Pendergast who had hoped to have the superintendent renamed. The governor, however, promised to consider names for O'Malley's successor that may be submitted by Pendergast.

Pendergast's Comment

At Colorado Springs Pendergast said the conditional reappointment of O'Malley for a year was satisfactory to him and that he and the governor agreed that in the event O'Malley goes out of office Stark will consider his recommendations as to a successor in the insurance department superintendency.

When informed of the governor's decision, Superintendent O'Malley said: "The announcement relative to my tenure in office will not affect or retard the progress of the insurance department. We are going right ahead. I have had too much in the department to worry about to think much about other things, such as reappointment."

Blames St. Louis Papers

Pendergast in a telephone conversation from Colorado Springs with the St. Louis "Star-Times" was quoted by that newspaper as follows:

"I wanted O'Malley's reappointment more than anything else, but the governor made me take things I didn't want to take, and it's all due to the 'Star-Times' and the other St. Louis newspapers hounding him."

"The St. Louis papers kept pounding into Governor Stark that he must assert his independence and that he must show the people he wasn't dominated by a political boss."

"I'll say this for you fellows, you've succeeded damn well."

ager F. S. Doremus of New York, dean of Guardian managers, receiving a 55-year service pin.

Superintendent of Agents Weidenborner presided over the final session, talks being made by Manager J. A. Schnur, New York City; W. R. Evenson, Buffalo; Jacob Grob, Cleveland, and James Elton Bragg, New York City.

There were present from the home office, in addition to those mentioned, Medical Director M. B. Bender, Assistant Agency Superintendent G. L. Mendes, Publicity Director J. C. Slattery and Club Secretary F. A. Bachur.

New Leaders Club Officers

Vice-President McLain announced the results of the executive committee's elections held, presenting the new slate of Leaders Club officers:

Manager Harry O. Snyder of Pittsburgh was elected president; Jack Leventhal of New York (Doremus-Haviland) first vice-president; and Manager R. A. Trubey of Fargo, second vice-president. Vice-presidents-at-large elected were: Manager J. A. Schnur of New York (Leyendecker-Schnur) for the metropolitan district; Manager H. C. Rhyne of Milwaukee for the western district; Manager E. B. Houghton of Rochester for the eastern district; and Manager T. J. Miles of Tampa for the southern district.

Broadened N. Y. Investment Law Proves Big Help

More Than \$100,000,000 High-Grade Securities Bought as a Result

NEW YORK.—Liberalization of New York's restrictions on life company investments, which was effected this year by the legislature at Superintendent Pink's request, has already opened up an important avenue of investment which would otherwise have been barred. Already companies have invested well over \$100,000,000 in private deals and in addition there has been a considerable amount invested through offerings made in the usual way to the public.

Among the recent large deals made direct between borrowers and life companies were the \$75,000,000 Socony-Vacuum and the \$24,000,000 Aluminum Corporation of America loans. Like many other top flight corporations, these companies had deficits several years ago which would have barred their bonds or preferred stocks as investment for companies operating in New York. The old law was that a corporation must have earned four percent or more on its capital stock for each of the five years previous to the date of investment. The law now specifies that the four percent requirement must be met for any three out of the last five years, among which must be the last two years.

Many Outstanding Companies

Among the outstanding corporations which would have been taboo under the old law but are legal under the amended statute, in addition to Socony-Vacuum and Aluminum Corporation already mentioned, are American Brake Shoe & Foundry, Armstrong Cork, Atlas Powder, Colgate-Palmolive-Peet, Commercial Credit Corporation, Goodyear Tire & Rubber, International Nickel of Canada, McKesson & Robbins, Montgomery Ward & Co., Sherwin-Williams and Standard Oil of New Jersey.

The ability of life insurance companies, either singly or in small groups to buy outright an issue of debentures, for example, enables them to get a better return than if the offerings were made to the general public. In addition to the normal saving in overhead in dealing with one or a few purchasers instead of many, avoidance of Securities & Exchange Commission expense and red tape is a source of saving to the borrower which can be passed on to the lender to some extent.

Get Same Information

The fact that the life companies, in buying securities in private sales, do not have the "protection" of the S. E. C. need cause no concern. The companies demand and get from the borrower all the pertinent information that the S. E. C. would call for if the securities were being marketed to the public. Very often borrowing corporations much prefer to keep from the general public a good deal of the information that becomes public property when it is in the hands of the S. E. C. Sometimes there is a fear that certain information will produce an unfavorable reaction if gen-

erally known. Often it is a case of not wanting to reveal information which would be valuable to a competitor, in the way of prices, contracts, and the like.

There is usually no objection to revealing all this information to the life companies which are lending the money, as they can be depended upon to keep it confidential and obviously it is to the lenders' interest to do nothing which will tend to harm the corporations whose security they hold.

Government Table Given on Social Security Fund

Life men are interested in getting data on the social security act and especially the benefits which will go to qualified wage earners. Government experts have made calculations which are shown hereafter. The first column gives the total earnings from regular employment from the time the payroll tax became effective, Jan. 1, 1937, until the worker reaches the retirement age 65. The second column gives the amount in monthly benefits the worker will receive after reaching 65 but no payments will be made prior to Jan. 1, 1942. The third column gives lump sum payments which would accrue to the worker's estate if he died before receiving any benefits. If the amount received prior to death is less than the total sum, the difference between the benefits paid and the amount in column 3, is payable to the estate. In figuring the expected total wages one must not count on more than \$3,000 of earnings in any one year because any amount over that sum is neither counted nor taxed by the government for the benefits of the social security act.

The table is as follows:

Total Wages	Monthly Benefit	Lump Payment	Total Wages	Monthly Benefit	Lump Payment
\$ 2,000...	\$10	\$ 70	42,600...	48	1,491
2,200...	11	77	43,800...	49	1,533
2,400...	12	84	45,000...	50	1,575
2,600...	13	91	47,400...	51	1,659
2,800...	14	98	49,800...	52	1,743
3,000...	15	105	52,200...	53	1,827
4,200...	16	147	54,600...	54	1,911
5,400...	17	189	57,000...	55	1,995
6,600...	18	231	59,400...	56	2,079
7,800...	19	273	61,800...	57	2,163
9,000...	20	315	64,200...	58	2,247
10,200...	21	357	66,600...	59	2,331
11,400...	22	399	69,000...	60	2,415
12,600...	23	441	71,400...	61	2,499
13,800...	24	483	73,800...	62	2,583
15,000...	25	525	76,200...	63	2,667
16,200...	26	567	78,600...	64	2,751
17,400...	27	609	81,000...	65	2,835
18,600...	28	651	83,400...	66	2,919
19,800...	29	693	85,800...	67	3,003
21,000...	30	735	88,200...	68	3,087
22,200...	31	777	90,600...	69	3,171
23,400...	32	819	93,000...	70	3,255
24,600...	33	861	95,400...	71	3,339
25,800...	34	903	97,800...	72	3,423
27,000...	35	945	100,200...	73	3,507
28,200...	36	987	102,600...	74	3,591
29,400...	37	1,029	105,000...	75	3,675
30,600...	38	1,071	107,400...	76	3,759
31,800...	39	1,113	109,800...	77	3,843
33,000...	40	1,155	112,200...	78	3,927
34,200...	41	1,197	114,600...	79	4,011
35,400...	42	1,239	117,000...	80	4,095
36,600...	43	1,281	119,400...	81	4,179
37,800...	44	1,323	121,800...	82	4,263
39,000...	45	1,365	124,200...	83	4,347
40,200...	46	1,407	126,600...	84	4,431
41,400...	47	1,449	129,000...	85	4,515

Imperial Life Promotions

W. C. Surratt has been appointed superintendent of the Burlington, N. C., district of the Imperial Life of Asheville, N. C. He started with the company May 15, 1933. M. K. Horner, who has been manager at Burlington, succeeds R. C. Godwin as manager of the New Bern agency. Mr. Horner started as an agent in the Fayetteville district in 1925.

Insurance Advertising Men Will Meet on Sept. 13-14

"Practical Insurance Advertising" will be the key-note of the annual convention of the Insurance Advertising Conference to be held in Briarcliff Lodge, Briarcliff, N. Y., Sept. 13-14. The conference, comprised of advertising managers of leading life, fire and casualty companies in the United States, has increased its membership this year and A. A. Fisk, Prudential, president, anticipates record attendance of delegates and guests at the 1937 sessions.

Robert Brown, Jr., Aetna Casualty & Surety, and C. E. Freeman, Springfield Fire & Marine, comprise the program committee. They have arranged to have nationally recognized advertising experts, representing many phases of the profession, speak.

Group sessions will occupy a major portion of the time with E. E. Vogt, Millers National, occupying the chair in the fire and casualty group. The life session will be directed by one of the most active members, yet to be selected.

Following the luncheon the first day two addresses will be heard, one on "Insurance Advertising from the Standpoint of the Advertising Agent and the Insurance Broker," the other, "Color in Advertising and Printing." The annual reception and dinner-dance will be given that evening.

Election of officers will occupy the general session the second morning. During the luncheon there will be a talk on the "Possibilities and Future of Advertising" by a national authority.

General Agent Hughes in Appointment of Four Men

Four important additions to the staff have been made by General Agent Hughes of the Massachusetts Mutual in Chicago, who recently took his new post there. Three agency counselors are named: A. R. Houle, Walter Jolley and C. R. Jones. W. A. Marsteller becomes publicity and promotion manager. Mr. Houle goes from the Mutual Benefit at Chicago, which he joined in 1919 as instructor of agents. He had previous newspaper advertising and casualty insurance experience. He has been an agent for a number of years, produced over \$1,000,000 last year and is a member of the Million Dollar Round Table and a C. L. U. Mr. Jolley goes from the Royer agency, Penn Mutual in Chicago where he has done sales promotion work for some time. He is a

University of Illinois graduate of 1930 and was an agent for some time.

Mr. Jones was graduated from the University of Minnesota in 1932 and has been a personal producer and agency organizer of the New York Life in Minneapolis. Mr. Marsteller, also a University of Illinois graduate, had six years' experience with daily newspapers and in advertising work. He has been an agent with the Massachusetts Mutual in Chicago since February.

General Agents in Meeting

Midwestern general agents of the Massachusetts Mutual held a regional meeting in Chicago this week, G. E. Lackey, Detroit, presiding. They discussed business getting plans. About 15 were present, including General Agents Hughes and Dingle of Chicago. Another regional gathering was held at Kansas City the next day, with General Agent C. L. Scott of that city presiding and general agents attending from southwestern states.

Insurance Plus

ROME.—A gas mask with every insurance policy was the inducement offered by the government-controlled National Insurance Institute, the largest of its kind in the nation.

Through newspaper advertisements the institute informed prospective clients that they would get a gas mask valued at 76.70 lira (about \$4) as soon as the policy was signed. This sum will be deducted when the policy expires.

AGENCY ORGANIZER WANTED

Young man, 25 to 40, experienced in agency organization work, for long established Chicago life general agency. Splendid opportunity. Only live wires need apply.

ADDRESS G-10, NATIONAL UNDERWRITER

Send 9 cents in stamps for sample copy of

The Accident & Health Review

The only exclusive accident and health paper published.

It gives ideas and suggestions that help you sell income protection insurance.

Address your inquiry to A-1946, Insurance Exchange, Chicago

WANTED—STATE MANAGERS

for

OHIO and ILLINOIS

by

MIDWESTERN MUTUAL OLD LINE LIFE COMPANY

COMPANY IS ————— More than 30 years old.
A recommended company.
Insures all ages birth to sixty.

COMPANY OFFERS—Salary.
Bonus on production.
Traveling expenses.
Over-writings on all agents.

COMPANY DESIRES—A manager for each state between ages 35 and 45.

This a real opportunity. In your first letter please give complete agency background. All inquiries held in confidence.

ADDRESS G-11,

NATIONAL UNDERWRITER

Semi-Annual Figures Reported

Name of Company	New Pd. Bus. 1st 6 Mos. 1937	1936	Change in Ins. in Force 1937	1936
Atlantic Life	\$ 5,778,173	\$5,840,931	+\$ 904,834	—\$ 167,820
Church Life	1,218,974	918,440	+1,056,374	+778,805
Empire Life & Accel. Ord.	799,000	972,000	+359,804	+442,614
Protective Life & Accel. Ind.	9,562,196	6,802,127		
Protective Life, Ala.	12,627,774	10,277,228	+8,412,292	+5,137,692
Union Mutual Life, Me.	4,463,799	3,120,462	+1,837,820	—487,531

EDITORIAL COMMENT

Interest in Mr. Kenagy's Work

THERE is keen and wide interest manifested in the course that is being pursued by Superintendent of Agents H. G. KENAGY of the MUTUAL BENEFIT LIFE. Perhaps there is no one in the agency development and training service whose line of march leading up to the head of the production department of one of the important companies was akin to that of Mr. KENAGY. He has been engaged in research and analytical work all his life. Therefore the question arose when his appointment was made as to how practical he would be in the application of the conclusions he had reached and the course that he had charted for the company's agency development work.

In giving the charge to the two new MUTUAL BENEFIT general agents in Chicago he laid particular stress on quality of producers. He made it clear that the MUTUAL BENEFIT is determined to do less talking and more doing. Much has been

said in the past about getting the right kind of agents but Mr. KENAGY said that in the militant and determined attitude that the MUTUAL BENEFIT has assumed in this direction, a general agent will be required to maintain a staff of men who not only can qualify according to established standards but who will be able to produce enough business so that they can make a decent living.

One of the great problems today in agency work is to get salesmen to a point where the fear of not making a living is entirely eliminated. If Mr. KENAGY is able to produce a formula or point out a way where, first, proper selection of agents can be made and then they can be counted on to produce sufficient business to enable them to live comfortably, he will certainly be a Moses. Earnest, studious, conscientious, he is determined to demonstrate the usefulness and adaptability of the principles he has evolved.

Sparkling Program for Denver

The program for the Denver convention of the NATIONAL ASSOCIATION OF LIFE UNDERWRITERS is uncommonly appetizing. Offhand, it seems that a greater variety of talent is scheduled than at any previous convention. Sandwiched between the substantial, prepared addresses, will be numerous brief talks by leaders that are able to deliver with a punch. Glancing over the list of speakers, one is im-

pressed by the fact that each is a sure fire campaigner. There may be no surprises, no new star unveiled, but there will be no misses. Not only in the main sessions, but at the Managers' Section meeting, Million Dollar Round Table, women underwriters' session, supervisors' luncheon, etc., the DENVER program sparkles. It will be a worth-while session from every viewpoint.

Greatly Pursuing a Calling

THE late OLIVER WENDELL HOLMES, justice of the UNITED STATES SUPREME COURT, a man of culture, wide reading, mighty understanding, once said: "Every calling is great when greatly pursued." At times we find men in insurance are inclined to apologize for their calling. This is particularly true in life insurance. The jokes developed against insurance agents are largely the effect of those who pursued the calling in a small way in years gone by. Insurance has been dignified and the tone of the call-

ing greatly raised because the men in it in recent years in a large degree have been those of stature and service. They have made insurance a great business. The fact that the business of insurance has increased so much in public acclaim is due to the men in it who would have molded any business in the right way and brought it to greater heights. Therefore, any agent worth while can add something to insurance by the record he makes and the way he carries on his activities.

Regulating All Insurance Activities

MORE and more the courts are holding that insurance concerns of all kinds should be under the jurisdiction of the state insurance department. Very often groups band together in the same trade for some protection plan or members of a society will start some sort of a benefit fund. Such projects are always unscientific and eventually get into trouble. Recently the New York department called to account

the MANHATTAN & BRONX RETAIL GROCERS ASSOCIATION which provided plate glass insurance to its members. A certificate evidencing membership in the fund was issued to members. It finally got to the court of appeals which held that "a contract of insurance cannot be changed into something else by giving it another name."

The public deserves full protection on

any form of insurance. Where insurance comes into the picture in any way it should be supervised by the state insurance department. Just at present mutual benefit assessment concerns are roaming over the country and in most states there is no law pertaining to them, bringing them under

the jurisdiction of the state department. These outfits are appealing to the people on account of the cheapness of their indemnity. Hundreds of thousands of unsuspecting people have taken policies and later when claims were incurred little or nothing could be secured.

PERSONAL SIDE OF BUSINESS

A. N. Carlson, general agent Mutual Trust Life, Sioux City, Ia., has been elected a director of Augustana College, Rock Island, Ill.

J. W. Dowling, Utica, N. Y., district manager John Hancock Mutual Life, died suddenly. Mr. Dowling celebrated his 37th anniversary with the John Hancock last February. He began his career as an agent in Chicago, and two years later was made an assistant manager at Syracuse, N. Y. In 1916 he was transferred to the Utica office, and a year later was promoted to be manager.

The John Ames agency of the Lincoln National at Detroit dedicated June to **Jack P. Carroll**, superintendent of agents. A loving cup was offered and won by Agent Charles Pennington.

W. H. Heilman of Kittanning, Pa., in the last nine years has written policies in the Reliance Life on 34 sons, daughters, sons-in-law, daughters-in-law and grandchildren of Mr. and Mrs. F. H. Stitt of Armstrong county, Pa.

A. F. Sommers, Metropolitan manager at Cincinnati, who has a 160-acre farm near Unionville, Mo., recently received a check from the United States Treasury for "soil conservation." He has returned the check to Secretary of Agriculture Wallace with this comment: "I have done nothing to earn this money and by its acceptance I would in substance endorse a system which I regard wrong in principle and unsound in practice. I, therefore, take pleasure in returning it with my very definite refusal to accept it."

Frank W. Pennell, New York City general agent State Mutual Life, has returned from a three-week trip to Anacostia Island, in the Gulf of St. Lawrence off the Labrador coast, famous Atlantic salmon fishing ground. Mr. Pennell was successful in angling for both salmon and trout. He also shot a 400-pound seal.

G. J. Mecherle, heretofore president, has been elected chairman of the State Farm Mutual Automobile of Bloomington, Ill. He is succeeded in the presidency by his son, R. P. Mecherle. G. J. Mecherle continues, however, as president of State Farm Life and State Farm Fire.

Martin L. Palmer of the firm of Palmer & Son of Lincoln, Nebraska general agents for National Life of Vermont, died at the age of 73. His sons, Leon M. and Alfred Palmer, were associated with him in the agency. Martin L. Palmer went to Lincoln in 1908 as manager for the Aetna Life. In 1927, with his sons, he became general agent for National Life. He was born at Ridgeway, Mich. He was at one time superintendent, of schools in Jackson

Mich. In Lincoln he served as president of the school board for six years. He was at one time president of the Lincoln Life Underwriters Association. He was one of the forces behind the enactment in 1913 of the present state insurance code.

Emil J. Kohl, 76, at one time southern Illinois general agent of the Northwestern Mutual Life, who retired from business several years ago, and Mrs. Irma Sindorf of Milwaukee were married in St. Louis.

H. A. Zischke, Chicago manager of the Union Central Life, with his family has gone on vacation to his summer home at DeLake, Ore., on the ocean front near Portland. Elmer Grandson, assistant manager, who has just returned from vacation at Sarnia, Ont., on Lake Huron, is in charge of the office in Mr. Zischke's absence.

James T. Ramey, son of **James F. Ramey**, vice-president and secretary of the Washington National of Chicago, is spending the summer at Heidelberg University in Germany, taking a special course. He graduated last June from Amherst with high honors. He is a Phi Beta Kappa and graduated "cum laude." This fall he will enter Columbia University Law School. Another son, Leon Ramey, has just been elected assistant secretary of the Washington National.

Alfred MacArthur, president Central Life of Chicago, returned to his office this week from his place in Cuernavaca, Mexico, where he had gone accompanying Insurance Director Ernest Palmer of Illinois and Mrs. Palmer, who will occupy his house there for the next six weeks. Mr. MacArthur often opens his house there to friends who happen to be in Mexico. He acted as interpreter for the Palmers, he being a fluent Spanish speaker.

Miss Olga Ilg, for some years with the home office of the Indianapolis Life, has been appointed secretary to President E. B. Raub.

Doyle Zaring, agency secretary Indianapolis Life, is president of the Indianapolis Junior Chamber of Commerce and under his leadership the organization is wielding a decided influence in civic affairs. **H. D. Peirce**, Massachusetts Mutual, is editor of the organization's publication recently launched.

Sam T. Chase, retiring Chicago general agent Connecticut Mutual, is to be honored at a dinner Aug. 10 at which the home office will be host and other Chicago general agents and managers will be guests. P. M. Fraser, vice-president, will represent the home office. Charles J. Zimmerman, the new general agent who has taken over Mr. Chase's



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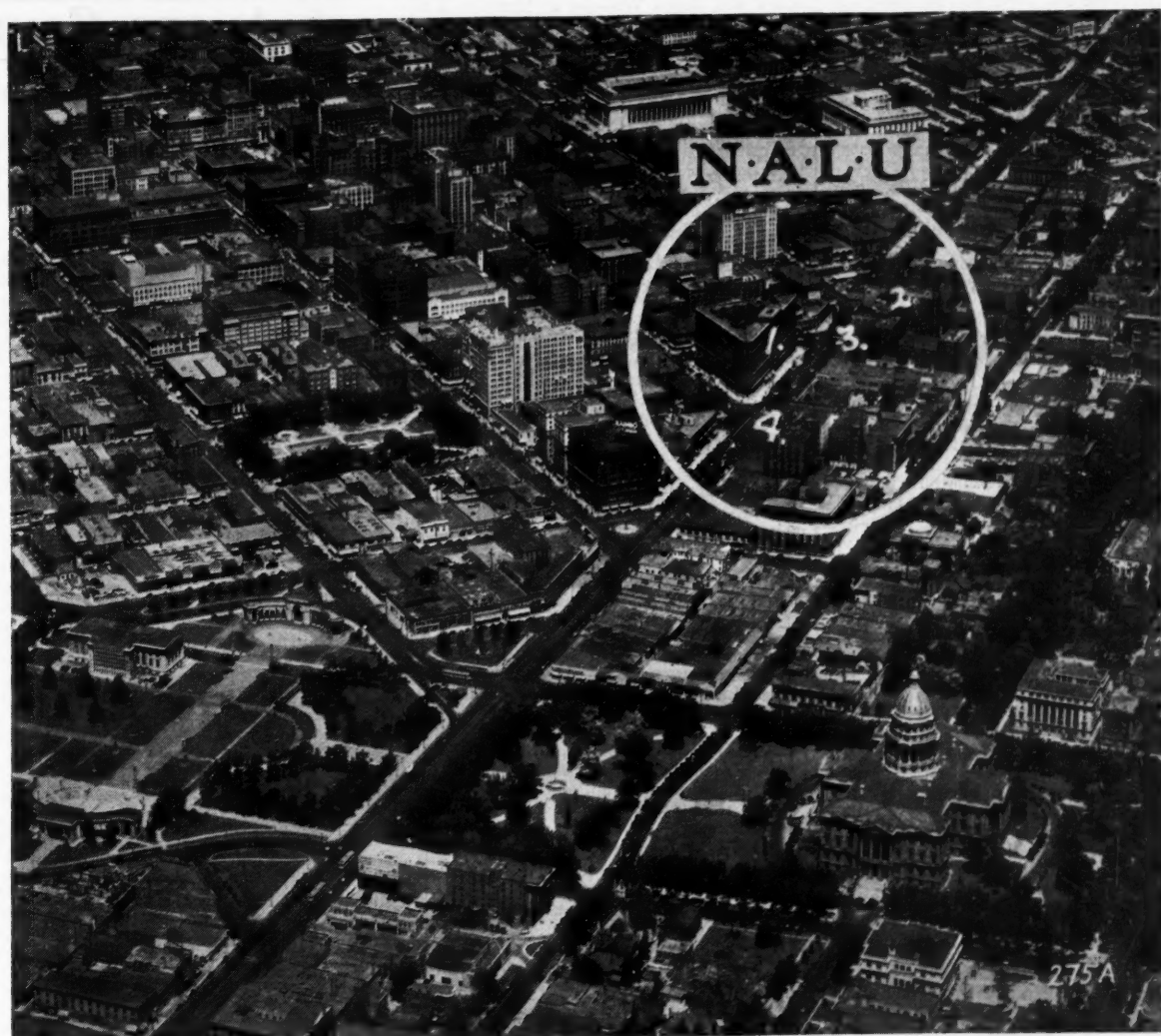
When the National Association of Life Underwriters holds its annual gathering in Denver Aug. 25-27, the convention activities will be carried on in the area within the white circle.

At the left (1) is the triangular Brown Palace Hotel, which will be N. A. L. U. headquarters.

Diagonally across the street (2) is the Cosmopolitan Hotel, and next to it (3) the theatre in which the business sessions will be held.

At the lower tip of the circle (4) is the Shirley-Savoy Hotel.

Colorado's state capitol building is shown in the lower corner at the right.



WITHIN THE N. A. L. U. CIRCLE OF ACTIVITIES

This year, as usual, The National Underwriter will issue its National Life Dailies covering the convention of the National Association of Life Underwriters to be held in Denver, Colorado, August 25-27. Each day everything that occurs at the meeting will be contained in the copy of the paper that is delivered to those in attendance.

This setup provides life insurance compan-

ies with an unusual opportunity to present their advertising messages to the cream of the life insurance fraternity. In addition to the regular subscribers throughout the country, the National Life Dailies will go to hundreds of agents whose companies have ordered the issues for them in advance. Thus the additional circulation amounts to thousands of copies.

Reserve space now for your company's advertisement in our 1937 National Life Dailies.

The NATIONAL UNDERWRITER

175 West Jackson Blvd., Chicago

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

The Leading Weekly Insurance Newspaper

old office, will be introduced. Plans are not complete but there will be some special ceremonies for the veteran who represented the company so long and honorably in Chicago. The invitations have been limited to some 40 or 50 general agents and managers who are close friends of Mr. Chase. The affair will be held in the Chicago club.

Harry French, Madison, Wis., general agent Northwestern Mutual Life, has sold his home in Maple Bluff to Dr. Glenn Frank, former president of the University of Wisconsin, who is now editor of "Rural Progress." According to newspaper accounts, Dr. Frank paid \$40,000 for the home that was built by Mr. French seven years ago at a cost of more than \$100,000.

Julian W. Schwab, whose name was published in the recent list of qualified and life members of the Million Dollar Round Table, is with the Indianapolis Life in the home office city. In the listing he was identified as being an independent.

Associate Manager **George Hofmann** of the J. S. Myrick agency of the Mutual Life of New York in New York City, has sailed for a two months' European trip, taking with him Mrs. Hofmann and their daughter Miss Adelaide Hofmann. Miss Anna Marie Hofmann, another daughter, was married June 25 to Edward D. Bangs of New London, Conn. The wedding date coincided with Mr. and Mrs. Hofmann's silver wedding anniversary.

W. A. Smalley of Smalley & Moore of Philadelphia, general agents of the New England Mutual Life, died at his home in that city, July 20, at the age of 78. Up to the day before his death he had been well and active. He was born in Camden, N. Y., June 27, 1859. He was elected secretary of the Y. M. C. A. in Germantown, a suburb of Philadelphia,

in 1890. A member of the Y. M. C. A. board was Amos Wakelin of Marston & Wakelin, general agents of the New England Mutual in Philadelphia since 1866. He persuaded Mr. Smalley to become field supervisor of the agency which led to a full partnership five years later. Marston & Wakelin were active until 1914, and then on the retirement of Mr. Wakelin the firm was changed to Marston & Smalley. Twelve years later, 1926, A. W. Moore was taken into partnership, the firm name being Marston, Smalley & Moore. H. W. Marston, son of the original John Marston, retired in 1930 and the firm became Smalley & Moore.

A. J. Johannsen, supervisor and big producer of the Hobart & Oates general agency Northwestern Mutual, Chicago, wound up record production this year by going on a trip with his wife to California. He will spend a month taking in San Francisco, Los Angeles, the Yosemite and Grand Canyon, winding up at the Denver annual convention of the National Association of Life Underwriters.

Assistant Secretary **Ben W. Brown** of the Washington National of Chicago died last week. He was born Aug. 1, 1873. He started his insurance career in the claim department at a head office. In January, 1912, he went with the National Life, U. S. A., in its accident claim department, later being made manager. After the business was reinsured in the Washington National he became manager of its casualty department and later was appointed assistant secretary. Interment was at Madison, Wis.

Rev. William T. Bradley, who was recently ordained in the Cathedral of St. Peter & Paul, Philadelphia, by Cardinal Dougherty, is the eldest son of **William J. Bradley**, publicity manager of Home Life of America of Philadelphia and founder and first president of the Industrial Life Section of the American Life Convention, chairman of the industrial life council of the Insurance Federation of Pennsylvania, of which he is also a director and member of the executive committee.

Father Bradley, a native of Derry, Ireland, pursued his studies for the priesthood at St. Charles Seminary, Overbrook, Pa., Mt. St. Mary's College, Emmitsburg, Md., St. Charles Seminary, Columbus, Ohio, where he secured his B. A. degree and Mt. St. Mary's Seminary, Cincinnati, where he completed his theological studies.

Father Bradley has been assigned to the missionary diocese of Santa Fe, N. M., under Rev. Archbishop Gerken. He has been appointed a member of the faculty of Lourdes Junior Seminary at Albuquerque, N. M.

Kansas Crop Prospect Is Encouraging to Agents

TOPEKA—The life companies operating in Kansas are looking forward to the writing of a large volume of business this fall.

Kansas this year has one of the largest wheat crops in its history and the price is high.

This means there will be several millions of dollars in the hands of Kansas wheat growers.

The prospect for a corn crop is good. Should the corn crop develop as it is now expected to, additional large sums will be handled by Kansans.

In certain sections of Kansas the wheat crop is classed as excellent. There was practically no wheat in western Kansas but other sections have fared well.

Life men feel that in spite of the fact much of the wheat and corn money will be used to pay off debts, there will be a considerable amount in circulation and there should be a large amount of insurance written.

AMONG COMPANY MEN

New Union Mutual Actuary

Lehman Named to Succeed Hamblen, Who Retires After Service of 46 Years

A. T. Lehman was elected actuary by the Union Mutual Life. He succeeds F. A. Hamblen, who has been with the company 46 years, for many years as



A. T. LEHMAN

actuary. Mr. Hamblen resigned because of ill health.

Mr. Lehman has been with the Union Mutual for three years as associate actuary and controller. He is a fellow American Institute of Actuaries and associate Actuarial Society of America. He was formerly actuary of the Detroit Life, and prior to that was actuary of the Indiana insurance department.

Dr. Davison New Medical Head

Dr. R. H. Davison has been elected medical director of Boston Mutual Life. Heretofore he has been associate medical director. Frank Piper had been the medical director. He died just a few weeks ago.

Woolery to Protective Life

J. M. Woolery, since 1935 actuary of the North Carolina department, has been appointed actuary of the Protective Life of Birmingham. He began his life insurance career with that company in 1925. He is a University of Michigan graduate.

Agency Secretary Has Resigned

Henry H. Mansfield has resigned as agency secretary of Volunteer State Life of Chattanooga. He had held that position since 1928. He was operating directly under A. V. Mazingo, agency vice-president. Thomas Bourke is taking over some of the work previously handled by Mr. Mansfield, in addition to traveling.

Investment Work Is Divided

Business Men's Assurance Makes Promotions and Shifts Following Death of Treasurer J. E. McPherson

KANSAS CITY—Following the death of J. E. McPherson, treasurer and investment officer of the Business Men's Assurance, work of the investment department has been assumed by three of Mr. McPherson's assistants.

C. H. Peebles, who has been with the company since 1925, becomes assistant treasurer and in addition to supervision of clerical work will be responsible for property loans in greater Kansas City. He was connected in the accounting department until October, 1931, when he entered the investment department.

Grant Torrance, son of Vice-president J. H. Torrance, also becomes assistant treasurer. A graduate of Washington University and holder of an M. B. A. degree from the Harvard graduate school of business administration, he was with Mackubin, Legg & Co., Baltimore investment house, before joining the Business Men's Assurance 5½ years ago. He is secretary of the finance committee.

C. S. Davis, with the company since 1930, who has been making appraisals on farm mortgage loans, supervisory farm properties and some city properties, becomes supervisor of farm loans. C. S. Alves, director and member of the company's finance committee, who has been the chief member of the board outside of company officers in contact with local loans, will take a somewhat more active part in investment activities.

L. D. Ramsey, secretary and personnel officer, also becomes executive officer in charge of office methods and system.

Voight with Republic National

The Republic National Life of Dallas has appointed Frank E. Voight as supervisor of agencies. He began his life insurance career as an agent and shortly thereafter was made general agent for the Northwestern National Life in South Dakota. He then went with the Bankers Reserve Life of Omaha as general agent, later becoming agency supervisor and supervisor of agencies at the home office. He was with that company more than 17 years.

About 6½ years ago he resigned to go with the American Savings of Kansas City as superintendent of agents.

Michigan License Bill Signed

LANSING, MICH.—Governor Frank Murphy has signed the agents' qualification act. It provides mandatory written examinations for all new applicants for fire and casualty licenses, to be conducted by the insurance commissioner at points "reasonably accessible" to the applicants.

While its provisions are not mandatory as regards renewal applicants or persons seeking life or health and accident licenses, the law may be applied to such applicants at the commissioner's discretion. It is effective Oct. 29.

100% INCREASE IN BUSINESS

● General Mutual Life Agents paid for 100% more new business in the first six months of 1937 than they paid for during the corresponding period in 1936. General Agency contracts still available for Illinois and Ohio. Write —

The GENERAL MUTUAL LIFE INSURANCE CO.

VAN WERT, OHIO
C. M. PURMORT, President



NEW JERSEY
NEW YORK

INDUSTRIAL—INTERMEDIATE

The Colonial Life Insurance Company

OF AMERICA

HOME OFFICE—JERSEY CITY, NEW JERSEY

Ordinary — Group

"A Good Company To Represent
—Represent a Good Company"

PENNSYLVANIA
CONNECTICUT

LIFE SALES MEETINGS

Indianapolis Life Convention

Agents from Northern and Central Indiana Hold a Sales Conference at Lake Wawasee

Indianapolis Life agents from central and northern Indiana met at Lake Wawasee, there being 76 present including the home office people. Vice-president A. L. Portteus gave the welcome. Superintendent of Agents A. H. Kahler in his address stressed the need for a life man to analyze himself, check his daily program of work, ascertain his strong points and weaknesses and set out to remedy them. A good stock of motivating stories, one to fit each type, is essential to the man who expects to succeed, he said. E. F. Kepner, assistant agency secretary, showed charts based on time control records. Any agency using these methods showed a marked increase in production.

President E. B. Raub said the assets for the first six months increased over \$950,000, bringing the item to \$19,600,000. Insurance in force increased over \$2,830,000, making the figure over \$103,500,000. The mortality ratio was 36.8.

Agricultural Life Agency Meeting Held in Detroit

DETROIT.—The Agricultural Life wrote \$1,211,000 the first half of the year, an increase of nearly 600 percent over the same period of 1936. President B. B. Brady told his agency force at the two-day agency convention here. F. E. Button, state manager for Colorado, in which state the company has just been admitted, attended.

As evidence that conditions are constantly improving, he pointed out that income from real estate during this period increased \$70,000, while management expenses were reduced \$11,000.

The first evening the agents were entertained at the home of President Brady and the second evening attended a dinner-dance. L. G. Christman, Ann Arbor, a director, was toastmaster, introducing R. L. Bailey, secretary; Gaylord Nelson, Grand Rapids, actuary; M. E. O'Brien, agency manager, and President Brady.

President Brady informed the field force that if they write twice as much business in July and August as they did in June—\$600,000 for the two summer months—he will entertain the agents and their wives at a week's fishing party and outing on Grand Traverse Bay the second week in September. The quota for the second half of the year is \$2,000,000.

Aetna Life Conferences Will Attract a Large Number

With a 25 percent increase over 1936 in the number of salesmen meeting qualifications for the ninth annual Aetna Life regional conferences, Vice-president S. T. Whatley reports an all-time high attendance record.

Scheduled for late August and early September, the 1937 conferences will be held at Virginia Beach for the eastern delegations and Colorado Springs for the western group. A comprehensive business and recreational program has been arranged for this year's record corps of regionnaires. The attendance will exceed 400 at each meeting.

The annual "Early Bird Awards" for the three Aetna Life agencies, showing the largest percentage increase in the number of applications written July 1, this year go to the G. V. Austin agency, Brooklyn; the Ford & Blosser agency, Toledo, and the H. N. Loneragan agency, Albany.

Aetna Life salesmen established a no-

table record for their nine-year-old "Early Bird Association" this year by writing the largest number of applications since July 1 was originally designated as the official get-away day of the regional qualifying year.

Alliance Life at Grand Island

The Presidents Club of the Alliance Life of Peoria will gather at Grand Island, Mich., the week of Aug. 8. There were 63 who qualified. Many of these are looking forward with great pleasure to the north woods and the Lake Superior country. June showed the largest production for any month so far this year. From the home office there will go President M. A. Kern, Secretary-Treasurer L. D. Kern, Executive Vice-president A. J. Schmidt, Medical Director J. R. Neal, Assistant Agency Director B. T. Kamins, Agency Secretary E. G. Atkinson.

Frank M. See a Speaker

Arrangements are being made for the annual convention of Columbus Mutual Life agents at Cedar Point, Lake Erie, Aug. 19. One of the speakers will be Frank M. See, general agent of the New England Mutual at St. Louis.

K. C. Life Minnesota Meeting

About 60 Minnesota representatives of the Kansas City Life will attend the annual convention at Welawiben lodge, Aitkin, Minn., Aug. 6 to 8. D. T. Torrens, president, J. A. Budinger, actuary, and Dr. H. A. Baker, medical director, are expected to attend. W. T. Koop, state manager, is in charge.

Embry Agency's Conference

The annual educational conference of the A. M. Embry agency of the Equitable Life of New York in Kansas City will be held Sept. 7-9 at Lake Taney-como, Mo. The 70 high agents in a campaign from July 1 to Aug. 28 will attend.

NEW YORK

EDNA LE BLANC BIG WINNER

The prize of the Insurance Society of New York given to the student in any one of the courses that attains the highest average mark, has been won by Edna LeBlanc, Metropolitan Life. She was a student in Part 1 of the life insurance course. The winner in Part 2 was Maida L. Kolb, Guardian Life.

* * *

WARNS ON STATE PENSION PLANS

Abraham Epstein, whose "American Mercury" article, "The Life Insurance Racket," led off the depression-bred series of articles and books attacking life insurance operations, finds himself on the same side of the fence as the companies on the subject of old age security. Mr. Epstein is executive secretary of American Association for Old Age Security. In an article in the July "Harper's" magazine, condensed in the August "Readers' Digest" under the title "Killing Old Age Security With Kindness," he deplores the lavish use of old age pensions for political or other purposes. He says that the result of all this will be that the pension load will be made too heavy for the taxpayers and that if not checked the whole system will be junked and the deserving indigent aged, for whose sole benefit the pension plans were devised in the first place, will suffer.

Mr. Epstein shows how politicians have tried to capitalize on their activities in promoting higher pensions and have not hesitated to write to the pensioners, asking that they use their influence on their relatives and friends to vote the right way. Contributory annuities under the federal old age insur-

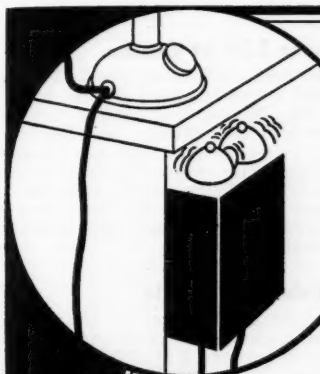
MAKE WAY FOR TOMORROW

Fieldmen of the Lamar Life are "Making Their Way for Tomorrow" through continuous renewals.



The LAMAR LIFE INSURANCE COMPANY
Established 1906
JACKSON, MISSISSIPPI

LAMAR LIFE TOWER



We want to
talk to you...
at once

IF you can show a record of \$100,000 of paid-for personal production for the past year;
you feel there is no further opportunity for growth in your present condition;
you live in either Pennsylvania, New Jersey, Rhode Island, Maryland or Delaware and
you have family responsibilities.

If the four items mentioned above describe your present condition, then you are the man we are looking for. The Bankers National Life Insurance Company can offer to men of this sort the chance of a lifetime to have a successful general agency.

Interest you? Can you meet the qualifications? Then write to William J. Sieger, Vice President and Superintendent of Agencies, for the complete story of this exceptional opportunity.

**BANKERS NATIONAL
LIFE INSURANCE COMPANY**
Montclair, New Jersey

ance system may be dismissed at once as mitigating the present danger to old age pension, Mr. Epstein declared, since for many years to come the annuities received will be extremely small, leaving the indigent aged still dependent upon state pension systems.

Life insurance men, of course, are interested in keeping the various state pension systems within bounds. Not only do plans which promise more than they can perform give people a false sense of security which prevents them from trying to provide for their own old age, but the taxes and contributions necessary to support these extravagant plans before they are finally given up as impractical constitute a drain on the public purse which diminishes the amount of money available with which to buy life insurance and retirement annuities.

AGENCY NEWS

Reliance Life Branch Gives Training Course to New Men

PITTSBURGH.—A course of class room instruction and careful supervision in the field is being used by the western Pennsylvania branch of the Reliance Life in training its new salesmen.

The school is in charge of J. C. Sheedy, instructor, and under the supervision of N. H. Weidner, manager western Pennsylvania branch. U. H. Hangartner, assistant manager, aids in the instruction.

In the two-weeks course new men are taught the significance of insurance from the social and economic standpoint and the professional dignity of their calling, as well as sales ideas. The new men work under the supervision of the branch manager for two years after completing the course.

Talks on "Romance in Records"

Frank Minninger, Newark manager Connecticut General Life, will speak on "Romance in Records" Aug. 2 before the Newark agency of the Connecticut Mutual Life, of which John A. Ramsay is general agent.

Seventeen Qualify for Outing

Seventeen members of the Victor M. Stamm home office agency of the Northwestern Mutual Life in Milwaukee qualified for a week's fishing trip and outing as guests of Mr. Stamm at Camp Munohannit on Long Lake near Mercer, Wis. The trip is awarded annually to agents who qualify by paying for a certain number of lives or a combination of lives and volume the preceding 12 months.

Group Covers Were Kept in Force During the Strikes

Practically all of those firms that have been carrying group insurance for their employees and have had strikes in the last few months, have kept up the entire insurance payments during the period of trouble. They have paid not only the employer's part of the premium but that of the employee as well. Most of the group writing companies have paid losses on account of death or disability to employees who were on strike at the time. Most employers that have purchased group insurance have come to regard that as a permanent department and a permanent policy and they were not disposed to interrupt or throw out the system when strikes occurred.

Employers have found that by and large group insurance is appreciated by the employees and particularly by families of the employees. It has created good will for the firm among the families. Most employers undoubtedly appreciate that their treatment of employees in the future must be more liberal and that nothing is to be gained by dropping or suspending group insurance while a strike is in progress.

LIFE AGENCY CHANGES

Huffstetler Named Manager of Union Central's Office

P. H. Huffstetler has been appointed Union Central manager at Springfield, Ill., succeeding R. D. Webb, resigned. Mr. Huffstetler is a native of Illinois and attended the Southern Illinois Normal University. After several years' teaching, he went into life insurance as an agent in 1926. He served as general agent and regularly qualified for the \$250,000 club. In 1933 he was appointed general agent Continental Assurance at Springfield, in which capacity he remained until the present.

Leo Is Dallas General Agent

The Yeomen Mutual Life has appointed Ralph M. Leo general agent at Dallas, Tex. He has been with the Yeomen Mutual since 1935 and has been a consistent producer in the Dallas agency.

Nystul Goes to Columbus

John Nystul, heretofore North Dakota manager for Kansas City Life, is being transferred by his company to Columbus, O., as general agent for the southern part of that state. He has been located at Fargo. He went to that city 10 years ago as general agent for Mutual Trust Life. He has been connected with Kansas City Life since 1931. He has been active in political and civic affairs. He was campaign manager of the Union party last fall and is a former chairman of the non-partisan league state executive committee. He is a director of Concordia College from which he was graduated in 1920 and where he was dean of men from 1924-26, when he resigned to enter business in Minneapolis. He is president of St. Luke's Hospital in Fargo. He was president of Olivet Lutheran church for six years.

Alliance Life at Omaha

The Alliance Life of Peoria has organized a new Omaha general agency with Nat Meister and John J. Ormsby in charge. Mr. Meister has been engaged in the general insurance business in Omaha for nearly 30 years. Mr. Ormsby has direct charge of the life insurance department. He has been in real estate, investments and insurance in Omaha.

Carnahan to Seattle

Dwight E. Carnahan of Des Moines has been appointed Seattle general agent of the Minnesota Mutual Life. He is a brother of T. D. Carnahan, general agent in Des Moines. Dwight Carnahan formerly resided in Seattle, where he represented another life company.

Bogardus, Baldwin Managers

J. O. Bogardus, sales manager of the Calvin S. Elliott Company Travelers agency in Buffalo, has resigned and been appointed manager by the Union Mutual Life at Albany, N. Y. He has been with the Travelers as agent and field assistant for more than four years and for a year represented the Mutual Life of New York in New York City. L. C. Baldwin is promoted to manager of the Rochester, N. Y., office by the Union Mutual. He has been agent at Denver and prior to that was agent for the Reliance Life in that city.

Luckey to Personal Production

Herbert A. Luckey, who has been Indianapolis manager of the Life of Virginia, has been appointed special representative there by the State Mutual Life, returning to personal production as has been his desire for some time. He will specialize in business insurance, for which he has a foundation of 13 years in active law practice and 14 years as agent and manager of life companies. He is active in insurance organizations

and is now vice-president of the Indiana Life Underwriters Association and national committeeman of the Indianapolis association. For several years he has been chairman of the legislative committee of the Insurance Federation of Indiana. He has served as president of both the federation and the Indianapolis association.

Woolley Takes New Post

A. T. Woolley, who has been appointed Cleveland manager of the Fidelity Mutual, entered the work in 1919 with the Ohio National at Cleveland. In 1922 he connected with the Travelers and later was made field assistant. He became manager at Reading, Pa., and this year returned to Cleveland as assistant manager.

Stieglitz Goes to Poughkeepsie

Robert Stieglitz, who has been an agent of the New York Life at Champaign, Ill., has been appointed agency director for the same company at Poughkeepsie, N. Y.

Hawley with Victory Life

W. D. Hawley, who has been field supervisor for the National Reserve Life at Topeka, Kan., is going to Wichita as general agent of the Victory Life for seven or eight surrounding counties. He is a brother of Robert Hawley, Travelers branch manager at Kansas City.

Two Promoted by Lamar Life

JACKSON, MISS.—The Lamar Life has promoted H. C. Allen, former special agent in Columbia, Miss., to district manager at Meridian, Miss., and R. L. Heffington, former special agent, to district manager in his home city, Anniston, Ala.

COMPANIES

Assets Are at All-Time High

Northwestern Mutual Life Resources Now Total \$1,159,297,457, President Cleary Tells Trustees

MILWAUKEE.—In his report of business of Northwestern Mutual Life for the first six months, President M. J. Cleary announced at the board's annual meeting at the home office, that as of June 30, total assets had reached an all-time high of \$1,159,297,457, and total insurance in force had increased to \$3,819,882,360.

During the first half of this year the company issued 36,413 new paid-for policies for total of \$132,537,427. Total in force on June 30 on 1,019,254 policies was \$3,819,882,360. This represents net increase in business in force of \$78,389,581 since a year ago and \$41,733,498 since Jan. 1. Total income for the first six months of this year was \$101,674,187, and included premium income of \$63,412,986, and interest and rents of \$24,191,536.

Disbursements amounted to \$72,630,238, and included payments to policyholders and beneficiaries of \$53,668,927 of which \$22,746,355 was paid on 5,926 death claims, and \$15,537,176 was paid as dividends to policyholders. Total disbursements also included \$7,068,386 in payments made under installment and option settlements. Also included in disbursements were \$2,410,621 in taxes. Excess of income over disbursements was \$29,043,949, which represents increase in ledger assets of that amount for the first six months. Ledger assets now total \$1,153,341,307, which is \$60,489,153 over the June 30, 1936, amount.

Policy loans at the end of the first six months amounted to \$178,569,777,

decrease of \$14,167,858 since a year ago, and \$5,580,185 less than six months ago. Assets also include \$10,543,418 of cash on hand and in banks.

Suit Contesting New Plan of Pacific Mutual Loses

Holding that his court had no jurisdiction, Federal Judge Roche of San Francisco has dismissed the suit of Fannie R. Hutchins of Texas attacking the Pacific Mutual Life reorganization plan. Fannie Hutchins held 50 shares of Pacific Mutual stock. The petition filed for her by Col. W. H. Neblett contained virtually the same allegations as in a petition filed by him on his own behalf in California state court some months ago with unsuccessful results. Since then the new corporation has successfully carried on the business of the old company.

The federal court ruled that the matter had been decided by the state court and the question of Commissioner Carpenter's authority was for the state court to decide. The Hutchins suit was dismissed with the statement that the Pacific Mutual proceedings could not be characterized as fraudulent from anything that appeared in the complaint. The petition had asked that the federal court take jurisdiction of the property of the Pacific Mutual and attorney fees be allowed. Instead the entire petition was denied and costs were assessed against Fannie Hutchins.

There is now only one court action remaining which seeks to upset the method under which the company is working out of its difficulties of the past. There is pending before the California supreme court another action filed by Colonel Neblett June 3, with oral argument, decision on which, it is said, must be rendered within 90 days, or by Sept. 3. The latter seeks to set aside the order of Superior Judge Willis of California, which approved the Carpenter reorganization plan now being used. Neblett is seeking to have the company handled by the insurance department under the insurance code provisions.

Would Wind Up Iroquois Concern

A petition to dissolve Iroquois Mutual Benefit Association of Springfield has been filed in Sangamon county circuit court by Insurance Director Palmer of Illinois. The business of this concern was taken over by the Commercial Life, a so-called 1893 assessment company. Iroquois Mutual Benefit was moved to Springfield from Watseka last year. In 1936 it had \$6,241 total income, paid \$5,236 in benefits, had total disbursements of \$7,598, assets \$2,012, had \$258,650 benefits in force.

Tobin Seeks Additional Fees

NASHVILLE.—Former Commissioner J. S. Tobin, who has already received \$16,000 compensation, is asking an additional fee between \$24,000 and \$25,000 for his services as conservator and receiver for the Independent Life, which was reinsured in 1934 by the Standard Life of Jackson, Miss.

Hearing has been started in chancery court here. Stockholders of the Independent Life and Standard Life and the Tennessee department are resisting the claim.

All States Life in Texas

The All States Life of Montgomery, Ala., has entered Texas, with headquarters at Houston. This is the seventh state in which the company is entered.

O'Malley Granted Appeal

KANSAS CITY.—Superintendent O'Malley of Missouri has been granted permission by Federal Judge Otis to appeal the action in which he seeks to retain over \$200,000 of Federal Reserve Life assets under his own jurisdiction.

The "Dixie Underwriter," published at Raleigh, N. C., has been merged with the "Southern Underwriter," published at Florence, S. C.

NEWS OF LIFE ASSOCIATIONS

M. W. Smith New President of Madison, Wis., Association

MADISON, WIS., July 29.—M. W. Smith, district manager Equitable Life of New York, was elected president of the Madison Association of Life Underwriters to succeed R. L. Hesse, general agent Lincoln National Life, at the annual meeting following a golf tournament and banquet at the Stoughton Country Club. Other new officers are: Vice-president, Charles Tomlinson, Bankers Life; secretary, S. L. Johnson, Old Line Life; treasurer, J. V. Hovey, Connecticut Mutual; national committeeman, Frank Horner, Northwestern Mutual Life. New directors are Earl Wheeler, Mutual Benefit; Emil Becker, Metropolitan; John Lonergan, Equitable; Dewey Edson, Northwestern Mutual; Franklin Van Sant, National Guardian, and Charles Kramer, Central Life.

As a tribute to Mr. Smith, his installation as president was witnessed by four other Wisconsin managers of the Equitable: E. G. MacDonald, Sheboygan manager and president of the state association; E. G. Ebersol, Milwaukee, assistant state manager; Harold Shadd, Racine, district manager; and Verne De Remer, Waukesha, field supervisor.

Golf tournament results: Walter Rhodes, low net; Ralph Larson, second low net; Dean Ball, first in blind bogey; John Hovey, second blind bogey; R. M.

Larson, first low putts; M. W. Smith, second low putts; James Anderson, high total.

Hold Maine Sales Congress

The annual dinner and sales congress of the Maine Life Underwriters Association was held at Log Lodge, Lucerne, July 29. Speakers included R. B. Hull, managing director National Association of Life Underwriters; Paul F. Clark, general agent John Hancock, Boston; Commissioner Lovejoy of Maine, A. V. Youngman, president New York City association; A. S. Kilburn, manager Prudential, Portland, Me., and N. C. Estabrook, New England Mutual Life, Houlton, Me.

Hartford—The following were elected as officers for one year. P. I. Holway, president; H. D. Wilcox, first vice-president; H. D. Freeman, second vice-president; H. G. Began, secretary; P. D. Roudakoff, treasurer. W. W. Hartshorn, E. S. Churchill and R. H. Brainard were elected directors.

Knoxville, Tenn.—Ralph E. Talley, Penn Mutual, is the new president. John Thornton is vice-president, Dick Wright, Jr., is secretary. Mr. Talley is delegate to the Denver National convention.

Northern New Jersey—More than 150 attended the annual "fun-day" at the Mazda Brook Park near Morristown, N. J. The golf tournament resulted in a three-team tie—Penn Mutual, Massachusetts

Mutual and John Hancock. The playoff will take place at the Upper Montclair Country Club Aug. 5. The Connecticut Mutual team won the baseball trophy.

Norfolk-Portsmouth, Va.—At the annual meeting the following officers were elected: J. C. Nelson, president, manager Connecticut General Life; Alice G. Palmer, secretary-treasurer, Pacific Mutual Life.

Oklahoma—Approximately 100 Oklahomans will attend the National association meeting in Denver, Aug. 24-27, 43 of them from Oklahoma City. L. C. Mersfelder, Kansas City Life, is chairman of the Oklahoma convention committee.

Salt Lake City—The association will hold an outing at the Lagoon, Davis county, Aug. 2. A feature will be a baseball game between managers and agents. B. A. Gamette, Pacific National Life, is chairman of arrangements.

Wausau, Wis.—Organization was completed at a meeting attended by 20 agents. H. Helling of Oppermann & Helling, was elected president; N. P. Beck, Metropolitan, vice-president; Victor Breitenbach, Penn Mutual, secretary.

treasurer; George R. Bennett, Northwestern Mutual, national committeeman. Directors are W. D. Curtis, Wisconsin National Life; L. J. Corbelle, New York Life, and C. C. Tucker, Central Life of Iowa. It will affiliate with the Wisconsin state and National associations.

Atlanta—At the first monthly luncheon meeting under the new officers, J. A. Avery of the First National Bank spoke on "Striking consequences of business and partnership insurance—closing the prospect."

President Charles Chalmers announced his committees. R. L. Cooney heads the executive committee and N. B. Maddox, the governing committee. It is probable that a special car will be chartered to take the Atlanta party to the National association meeting in Denver.

Fort Wayne, Ind.—The annual summer outing will be held Aug. 14 at Lake Wawasee. Regular monthly luncheon meetings will be resumed in September.

Charleston, W. Va.—O. B. Sayre is president, J. H. Hobson, first vice-president, G. B. Buckley, second vice-president, Wilbur Matheny, secretary.

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Farmers & Traders Life Makes Important Changes

The Farmers & Traders Life increased premiums, increased and lengthened the period of surrender charges and added several new policy contracts. Guaranteed premium reduction forms are not carried in the new rate book. The premium increase averages about 5 percent except for retirement income policies which have much larger increase due to higher maturity values.

The old surrender charge ran to the 14th year but under the present plan there is a surrender charge of \$24 per \$1,000 the first 18 years, \$12 the 19th year, with full reserve available thereafter.

Most important of the new forms are the multiple protection plans. Premiums are level through life but if death occurs during the first 10, 15 or 20 years the death benefit is doubled. Other new forms are 25 and 30 payment life and 30 and 35 year endowments. Rates per \$1,000 are:

Age	Ord. 20 P. 20 Yr. 15			Multiple Protection		
	Life	Life	End. Year	Life	Life	End. Year
10	\$11.18	\$19.10	\$42.45	.....	.....	.....
15	12.27	20.69	42.60	.....	.....	.....
20	13.90	22.51	42.74	\$16.55	\$17.72	\$18.74
25	15.78	24.63	42.87	18.49	19.79	20.87
30	18.15	27.21	43.21	20.83	22.33	23.73
35	21.26	30.44	43.98	24.23	25.90	27.75
40	25.43	34.49	45.46	29.49	31.90	34.67
45	31.10	39.55	47.81	36.94	40.66	44.84
50	38.65	46.99	51.67	47.59	53.39	.....
55	48.45	54.34	57.69	63.03	.....	.....
60	61.72	65.55	68.92	.....	.....	.....
65	79.63	.....	.....	.....	.....	.....

Has New Blanket Plan

The Bankers National Life has added a plan to be issued by the blanket coverage department. This permits issuance of master agreements under which groups are covered under 10 year term policies which are perpetually renewable and may be converted at any anniversary without quitting employment or dropping out of the plan. Applicants up to age 65 are eligible. Insured groups must contain at least 100 insurable members and there must be at least 20 acceptable applications for a total of \$50,000. A similar plan based on 15 year renewable term is being continued.

Participating Policies Are Now Issued by Girard Life

The Girard Life, which for some time has issued insurance and income contracts on non-participating basis, has brought out participating forms of those types. The new surrender values, options and provisions are the same as the non-participating forms except dividends are provided for in the end of the second and later policy years prior to maturity. No schedule of dividends is available. Rates for the new contracts per \$1,000 are:

Mo. Inc. \$10 Male					Mo. Inc. \$10 Male				
Age 27 Female					Age 27 Female				
Age	at	Age	at	Age	at	Age	at	Age	at
Issue	55	65	75	85	Issue	55	65	75	85
15..	29.17	37.71	20.99	35..	79.69	55.14	41.87		
16..	30.22	34.44	20.63	37..	84.62	58.23	43.43		
17..	31.35	35.23	21.29	38..	90.83	61.64	47.82		
18..	32.54	36.96	21.89	39..	97.85	65.46	51.23		
19..	33.82	36.92	22.42	40..	105.82	69.54	55.78		
20..	35.16	27.85	22.99	41..	114.97	74.14	59.94		
21..	36.51	28.84	23.60	42..	125.55	79.29	65.90		
22..	37.95	29.89	24.25	43..	137.82	85.04	69.13		
23..	39.53	31.01	25.34	44..	152.43	91.55	82.89		
24..	41.60	32.20	26.18	45..	169.99	98.89	86.61		
25..	43.51	33.45	27.04	46..	187.29	107.95	79.55		
26..	45.43	34.80	28.00	47..	207.82	118.62	83.22		
27..	47.66	36.24	28.99	48..	230.46	131.22	87.33		
28..	50.65	37.78	29.95	49..	255.42	145.87	91.37		
29..	53.65	39.43	31.18	50..	283.89	162.94	94.19		
30..	56.94	41.29	32.38	51..	315.42	182.69	102.04		
31..	58.54	43.12	33.65	52..	350.42	205.49	111.89		
32..	61.92	45.18	35.03	53..	389.42	231.46	131.65		
33..	65.58	47.25	36.49	54..	432.42	260.46	144.82		
34..	69.64	49.67	38.07	55..	480.42	292.46	161.32		
35..	74.12	52.38	39.75						

Adult Premiums Increased, Juvenile Rates Are Lower

The Empire Life & Accident has increased premiums for most adult forms, decreased juvenile premiums, liberalized juvenile contracts and added new plans.

Juvenile policies are now in full force at attained age 5. Family income is now being written, being attached by rider and providing that the original policy may be withdrawn in whole or part immediately after death or payment deferred to the end of income period. Each \$500 withdrawn at death reduces monthly income \$1.44. Insurance with annuity will be issued to mature at 55, 60 or 65. These policies

COTTON

Experts will soon survey millions of acres of cotton to estimate the 1937 crop.

Alert Southern underwriters are also estimating future prospects, and are laying plans now for crop-time sales.

LIBERTY NATIONAL LIFE INSURANCE CO.

Birmingham, Alabama

FRANK P. SAMFORD, President

Ask a Field Man . . . HE KNOWS!

The Field Man is properly the connecting link between life insurance company and agent. Better than anyone else, he knows whether or not service rendered agent (and through the agent, the policyholder) is all that the company claims for it. Believing this, The Southland Life ASKED its District Managers about Southland Life service to agents. And here is what one said:

DOUG JARRELL, Abilene, Texas

"Frequent consultations with the agency manager and with other field representatives help to keep the district manager going at full speed. I always have been appreciative of this help given me by The Southland Life."

If you are interested in an agency contract, write First Vice-President Clarence E. Lins, or Vice-President and Agency Manager Col. W. E. Talbot.

SOUTHLAND LIFE INS. CO.

Harry L. Seay, President

Home Office, Dallas, Texas

Send 9 cents in stamps for sample copy of
THE ACCIDENT & HEALTH REVIEW
The only exclusive accident and health paper published.
Address your inquiry to A-1946 Insurance Exchange, Chicago

are issued to men and women at the same rates but male income at maturity is \$10 while for women it is \$9.15 per unit. Rates for the family income rider and the insurance and annuity forms are:

Age	Fam. Inc. Rider			Ins. and Annuity		
	10	15	20	To	To	To
10	.....	.....	.....	\$21.70	\$17.60	\$15.10
15	.....	.....	.....	25.47	20.27	17.02
20	\$ 3.01	\$ 4.15	\$ 5.24	30.57	24.10	19.52
25	3.18	4.39	5.61	37.65	28.75	22.83
30	3.31	4.73	6.28	47.91	35.19	27.32
35	3.75	5.60	7.75	64.04	44.53	33.72
40	4.74	7.36	10.49	91.92	69.18	42.46
45	6.53	10.43	15.09	146.71	84.50	56.16
50	9.50	15.38	.....	.....	135.87	79.71
55	14.19	.....	.....	.....	.....	126.83

Seaboard Makes Changes

The Seaboard Life is issuing a retirement annuity bond that provides \$12.50 monthly life income, 100 months certain, per \$1,000 insurance. The insured may have income start at an age earlier than maturity date or may continue premium payments after maturity thereby obtaining larger income later. Premiums for practically all plans have been increased and surrender charge increased and extended. The old surrender charge did not go beyond the fifth year. Annual rates per \$1,000 are:

Age	Ret. Annuity		Mat. Age 55	Mat. Age 60	Pref. Ord. Life	Risk End. Pay	End. Age 85
	Mat. Age 55	Mat. Age 60					
10	.....	.....	.....	.....	.....	.....	.....
15	\$28.95	\$22.59	12.43	20.16	13.17	20.66	.....
20	35.51	26.97	13.77	21.76	14.70	22.56	.....
25	44.71	32.91	15.48	23.68	16.56	24.72	.....
30	58.23	41.25	17.68	26.02	19.00	27.30	.....
35	78.75	53.48	20.55	28.89	22.28	30.53	.....
40	113.76	72.05	24.36	32.55	26.87	34.63	.....
45	.....	103.89	29.51	37.54	32.47	39.75	.....
50	.....	.....	35.96	44.17	40.16	46.38	.....
55	.....	.....	47.38	53.30	50.34	.....	.....
60	.....	.....	62.29	.....	64.65	.....	.....

Revises Rates and Values

The Standard Life of Jackson, Miss., has revised its premium rates and surrender charges. The old surrender charge ended at the ninth year but the scale now runs \$10 per \$1,000 to the 19th year, generally, but in some cases reduces in later years. The new premium rates per \$1,000 are illustrated in the table below:

Age	Ord. Life		20 P. 20 Yr.		14 Pt. Ret. Income		10 Yr. Term
	Life	Life	End.	End.	60	65	
10	\$13.18	\$20.66	\$41.85	.....	\$15.03	.....	.....
15	13.18	20.66	41.85	\$16.41	15.03	.....	.....
20	14.70	22.56	42.07	19.03	17.14	\$ 8.13	.....
25	16.57	24.72	42.29	22.46	19.87	8.39	.....
30	19.01	27.29	42.69	27.25	23.57	8.77	.....
35	22.29	30.50	43.54	34.28	28.77	9.84	.....
40	26.67	34.83	45.11	45.11	36.32	11.89	.....
45	32.47	39.79	47.74	45.11	47.74	15.58	.....
50	40.16	46.39	51.91	99.28	66.50	21.58	.....
55	50.36	55.04	58.37	.....	102.96	.....	.....
60	64.81	67.15	68.13	.....	.....	.....	.....

Single Premium Juvenile Forms

The Union Central now is issuing a number of new single premium juvenile contracts, including endowment at 60, 20 year endowment, endowment at 18 and single premium whole life, from birth to age nine, inclusive, and also a new annual premium endowment at 21.

Would Have Premium Grace Period During Strike

MILWAUKEE.—The idea of inserting in the industrial policy a provision for a grace period for those who cannot pay premiums because of a strike or labor dispute was suggested by a speaker at the last meeting of the International Union of Insurance Men, Milwaukee local. J. A. Padway, counsel for the Wisconsin Federation of Labor, advanced this idea. If this were done, he stated, it would mean a saving of millions of dollars "to the working masses of the nation. In recent years many union men were forced to lapse and sacrifice their policies because of those emergency conditions."

George L. Hunt, vice-president New England Mutual Life, is receiving the sympathy of friends on the death of his wife. She had been an invalid for the past five years.

AS SEEN FROM CHICAGO

LIFE COMPANY STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	30	32
Amer. Life, Ala.	5	.....	4	4
Bank Nat. Life	10	1.00	40	45
Bulld. Life, Ill.	1	.....	2	2
Central Life, Ill.	10	.....	9	9
Cent. States Life	5	.....	2	4
Columbian Nat.	100	4.00	80	90
Commonw. Life	10	.15	17	19
Conn. Gen. Life	10	.80	35	36 1/2
Cont. Assurance	10	2.00	37	39
Cont. Am. Life	10	1.20	30	34
Farm. & Traders	100	12.00	210	225
Fed. Life, Chgo.	10	.....	8	8
Glarad Life	10	.40	10	12
Great Nor. Life	10	.....	4	4
Great South. Life	10	2.50	25	30
Guar. Life, Ia.	100	.....	100	125
Kan. City Life	100	16.00	450	500
Life & Cas., Tenn.	2	.....	15	17
Life of Va.	20	3.00	73	80
Lincoln National	10	1.20	26	27 1/2
Mo. State Life	10	.....	3	4
Monu. Life	10	1.00	36	40
Natl. Life & Ac.	10	1.60	65	75
New World Life	10	.40	5 1/2	6 1/2
Northw. National	5	.60	14	15
North Amer.	2	.....	4	5 1/4
Ohio National	10	1.00	24	28
Ohio State Life	100	10.00	225	.....
Old Line Life	10	.60	15	17
Pacific Mutual	1	.....	3	4
Pan Amer. Life	10	.50	18	20
Peoples Life, Ind.	10	.60	20	.....
Philadelphia Life	10	.....	3 1/2	4 1/2
Prot. Life, Ala.	10	.60	14	.....
Prov. Life, N. D.	10	.80	11	.....
Rockford Life	10	.....	4	8
Sun Life, Can.	100	.....	700	750
Travelers	100	16.00	495	505
Union Central	20	.80	21	.....
Wisconsin Natl.	10	.50	15	17

DENVER PLANS OF CHICAGOANS

R. S. Edwards, general agent for Aetna Life, is making transportation arrangements for Chicagoans who will attend the convention of the National Association of Life Underwriters in Denver. He is chairman of the Chicago Association of Life Underwriters committee in charge of the Chicago delegation to Denver. Delegates and alternates for the Chicago association will be selected from those who plan to attend. Special cars will be attached to the air conditioned Aristocrat of the C. B. & Q. road leaving Chicago Aug. 21, 22

and 23 at 10:30 a. m., central standard time.

* * *

ACACIA MUTUAL SHOWS GAINS

The Chicago branch of the Acacia Mutual closed the half year with the largest net gain of business in force since 1932. E. J. Warshell, president of the "William Montgomery Quality Club," a member of the Chicago branch, continues to lead all agents in written and placed business; B. D. Wheeler, assistant branch manager, placed and paid for the second largest amount. Twelve agents have qualified for the midwestern regional convention in French Lick, Ind., in August.

* * *

AGAIN A MILLIONAIRE

Harry T. Wright of the Woody agency of the Equitable Life of New York in Chicago is the third agent to qualify for its Million Dollar Corps this year. This is the 14th consecutive year in which he has been a million dollar producer.

* * *

HARRY STEINER SETS RECORD

Harry Steiner of the Lustgarten agency Equitable Life of New York has been cited in his company's house organ for the production record in his 10 years with the office. Total paid business on 560 lives is \$10,384,591 in volume. During six of the 10 years he has produced \$1,000,000.

* * *

WOOD AGENCY GOING STRONG

F. J. Wood, one of the Chicago general agents of the Lincoln National, led his agency in June to record production. He was second country wide in personal volume with \$145,600 and his agency's volume was 216 percent of the same month last year. For the half year the office had 36 percent increase in written volume and 31 percent in paid for. July so far has developed the largest new premium volume in a year and the agency is substantially ahead in production. The Wood agency was among the leading ten offices for the half year and fifth in June.

AGENCY MANAGEMENT

Realistic Recruiting Attitude

Managers Find It Difficult to Attract Men Without Satisfactory Financial Basis

Life managers are taking a realistic attitude toward recruiting new men and the dearth of available material is demanding factful thinking. If a manager encourages a man with a regular job, no matter how small a salary he is getting, to quit and take up life insurance, he has a problem on his hands unless the prospective agent has funds enough to finance himself. One manager who looks at the recruiting squarely, says that human nature must be considered. A man who is broke and is thinking about carfare and lunch money can't sell life insurance. If the manager finances the agent with loans the agent can get himself in such a financial hole that the burden of repaying his indebtedness will assume such alarming proportions that his sales effectiveness will be reduced correspondingly.

Turn to Colleges

Last June managers turned to college graduates as a source for prospective agents and found that other businesses and industries were hiring the cream. Although these youngsters are only getting trivial salaries, the weekly \$15 or \$18 pay check at once looks better to them than promises of larger earnings in the future. These youngsters are desirable prospects because they can usually get along on small earnings at the

start, especially if they live at home. One objection to youngsters is that they cannot be expected to do a large volume for several years because it is difficult for them to successfully contact larger risks.

All managers and general agents are looking toward a satisfactory solution of the recruiting problem but most of them feel that there has to be some readjustment in the present set-up if high calibre men are to be attracted to the business in the future. The key to the situation boils down to the fact that successful men or businesses attract successful men.

S. R. Hay, Jr., Houston Head

The Houston Managers' & General Agents Association has elected the following officers: Sam R. Hay, Jr., Great Southern Life, president; H. V. Jackson, vice-president; Morris Brownlee, secretary.

Three-Way Tie at Outing

J. H. Dingle, general agent Massachusetts Mutual; J. J. Hurley and J. H. Brennan, manager Fidelity Mutual, tied for blind bogey prize at the annual outing of the general agents and managers division, Chicago Association of Life Underwriters, held at Edgewood Valley Country Club near La Grange, Ill. Harry Walters, supervisor of Stumes & Loeb, general agents Penn Mutual, a member of the club, was in charge of arrangements. There was a short business session.

Michigan Debt Exemption Act Is Vetoed by Governor

LANSING, MICH.—Governor Murphy conformed with the wishes of the organized life underwriters in vetoing the Watson act, which would have exempted all life insurance benefits from garnishment, attachment or any other legal process instituted in the behalf of the assured's creditors. The governor reported a similar act passed in Arkansas had been found unconstitutional by the United States Supreme Court as regards its effects on debts contracted prior to passage of the exemption.

Application of the exemption to annuity contracts was the objectionable feature of the act, inasmuch as such a provision would permit persons who were heavily indebted but who had ample current resources to purchase paid-up annuities and thus assure themselves of a permanent income without meeting their obligations.

H. B. Thompson, Detroit, counsel for the Michigan State Life Underwriters and Qualified Life Underwriters of Detroit, had written the governor urging veto of the act on the ground that its long-range effect would be damaging to life insurance as an institution despite the prospect of immediate benefits to life men through stimulating annuity sales.

Herbert Hamilton Dies

PHILADELPHIA.—Herbert X. Hamilton, manager of the Philadelphia agency of the Union Central, died in his office of a heart attack. He joined the Union Central actuarial department in 1916. He became manager of the dividend division in 1922, conservation director in 1932, agency secretary the same year, and was elected assistant superintendent of agencies in 1936. Mr. Hamilton was appointed Philadelphia manager in May. He was well known throughout the business as a founder of the L. O. M. A. education work.

Fidelity Mutual Get-Together

Thirty northern California agents of the Fidelity Mutual Life and their wives were guests of W. J. Arnette of Los Angeles, California manager, and J. M. Mitchell, manager of the San Francisco agency, at a "get-together" party and luncheon at Castelwood Country Club.

Scotland to Hold Meeting

The G. A. Scotland agency of the Penn Mutual Life at Sacramento, Cal., is planning a regional meeting in that city Sept. 9. He is inviting the Oakland and San Francisco general agencies of the company to participate. The Penn Mutual holds a regional meeting on the coast about that time of the year. Among the home office people who will be present will be Vice-president A. E. Patterson.

RECORDS

Mutual Life of New York—Paid business was \$135,920,517 for the first half year as against \$120,987,373 for the same period last year. This gain of 11.5 percent in new business and a drop of 14 percent in terminations brought a rise of \$10,189,968 in total business in force for the first half year. The gain exceeded that of the entire year 1934 by more than \$500,000.

Pilot Life—It completed the most successful six months in its history, showing increase of business in force of \$7,430,263 since Jan. 1, 70 percent more than for the first six months of 1934. The gain for the year ending June 30 is \$13,430,240, a 193 percent increase over that for the preceding year. Gain for the last 12 months is 12 percent. Insurance in force July 1 was \$123,281,339.

Midwest Life, Neb.—Gain 59 percent in six months.

LEGAL RESERVE FRATERNALS

Three Orders Are Taken Over

Maccabees Absorption of Societies Announced by Commander Thompson at Quadrennial Convention in Detroit

DETROIT.—Mergers by which the Maccabees absorbed assets and memberships of the Brotherhood of America, Slavic Progressive Union and Fraternal Home Insurance Society of Philadelphia were announced at the opening session of the five-day quadrennial international convention of the Maccabees here by Commander E. W. Thompson.

"I believe that in the present day of keen competition it will be to the advantage of the smaller associations to seek more security and greater benefits through amalgamation with stronger associations, and we anticipate that during the next few years there will be a tendency along this line," he said.

More than 3,500 delegates attended from 44 states and all Canadian provinces.

Mr. Thompson was reelected commander, N. C. Wiley, Lewisburg, Ky., lieutenant commander, and C. L. Biggs, Detroit, recorder. Commissioner Gauss spoke at the banquet.

Is Taking Referendum Vote

Lutheran Mutual Aid Expects to Get on Old Line, Legal Reserve Basis, Jan. 1

On authority of the Iowa insurance department, the Lutheran Mutual Aid of Waverly, Ia., at whose biennial convention in Milwaukee it was voted to go on an old line, legal reserve basis, has started its referendum and it will be concluded by Aug. 1. There was a unanimous favorable vote at Milwaukee but the by-laws require that there be a majority of all members voting favorably. When the results of the referendum are mobilized, the vote will be submitted to the Iowa commissioner. It is not planned to have the old line company start until Jan. 1. It will be known then as the Lutheran Mutual Life. The Lutheran Mutual Aid will want an examination by the Iowa department and naturally will take up the subject of its transformation with all states in which it is admitted. There is so far no opposition in the mail vote to the change.

SOME PERTINENT FACTS ABOUT Supreme Forest

WOODMEN CIRCLE

● Total Membership	134,803
Enrolled in 1936 alone	25,096
Total Protection	\$108,660,736
Written in 1936 alone	14,170,968
Benefits Paid since 1895....	37,156,980

Dora Alexander Talley, President
Mamie E. Long, Secretary
Home Offices, Omaha, Neb.

Plan National Safety Day

Press Section of N. F. C. to Present Plan at Columbus, O., Annual Meeting—Program Ready

The program for the Press Section of the National Fraternal Congress at the Columbus, O., meeting Aug. 30 is announced by R. B. McCain, editor of "The Chariot," Ben Hur Life, and president of the section.

Members will make a tour of inspection of the Carroll Press in Columbus, where several fraternal publications are printed, starting from the hotel at 2 p. m. Monday.

A report of the committee on the national safety campaign will be submitted to the Congress as a whole. It is hoped to inaugurate a national safety day and thereby help reduce the unnecessary loss of life due to accidents.

The Press Section meeting will be held in the Deshler-Wallick Hotel.

The officers besides Mr. McCain are: Vice-President, Mrs. Jeanie Willard, Supreme Forest Woodmen Circle; secretary-treasurer, Mrs. Mary Baird, Woman's Benefit Association. The program is:

8:30 a. m., breakfast; business session immediately following.

Minutes of preceding meeting. Memorial for the late J. A. Martin, Protected Home Circle, by Elizabeth Mehan, Woman's Catholic Order of Foresters.

"The New Social Security and Fraternal Insurance," John W. Breyfogle, Security Benefit Association. Discussion.

Special Paper (subject to be announced later) by Mrs. Jeanie Willard, Supreme Forest Woodmen Circle. Discussion.

"Stimulating the Membership Through the Columns of the Official Publication," by Horace L. Rosenblum, Woodmen of the World. Discussion.

Introduction of Resolution for National Safety Campaign of N. F. C. by special committee, James G. Daly, United Commercial Travelers, chairman.

Election and installation of officers.

Reinsure Chicago Fraternal

North American Union to Determine Lien Dec. 31—Sets Up Separate Fund for That Business

The Chicago Fraternal Life, operated for 40 years, has been taken over by the North American Union of Chicago under a reinsurance and merger agreement approved by the Illinois department. Office personnel will be moved to the North American Union head office to handle details of the "Chicago Fraternal fund" which is being set up. Officials, however, drop out, including President Phillip Steele.

A policy lien becomes necessary due to the run down condition of the Chicago Fraternal Life, but this has not been set. For some time a 55 percent lien applied to policies, at the insistence of the insurance department, but no lien interest was charged. Under the reinsurance agreement the entire reserve will be withheld on all death claims occurring in the period July 22 (the date of reinsurance) to Dec. 31, 1937. Upon the latter date lien will be set, retroactive in that period. Claims prior to July 22 will be paid subject to the 55 percent lien established by the department Jan. 1, 1936. Lien interest is 6%.

Carry Out All Benefits

No limitations or cutting down of benefits will be made, President George E. Cobb of the North American states, but certificates will be carried out under their terms and the bylaws. There will be a valuation Dec. 31 each year for ten years, with adjustment of lien when appreciation in assets is sufficient to permit at least 10 percent reduction. Expense charge will be no more than set in Chicago Fraternal Life bylaws—a maximum of 15 percent, the old loading for that purpose.

There is a moratorium on cash and

loan values of the reinsured policies for ten years. All claim payments under paid up and extended insurance due July 22-Dec. 31, 1937, will be withheld until lien is determined. Members will be given all fraternal rights and privileges, with voting rights the same as North American members. The policies in the separate fund may be rewritten at the option of the holders.

In the assets, \$246,056 mortgage was listed as Schedule A, upon which the North American will advance money to the fund at 5 percent interest to pay death claims, etc., administration of all other assets being subject to department approval. In valuation, a representative of the North American and the department, with an arbiter selected by both, will set values Dec. 31, 1937, after which the North American will value the business subject to department approval. On Dec. 31, 1947, lien will be established flat, with no future adjustments, and the business then absorbed.

Officials participating in negotiations were President Cobb, Treasurer D. B. Maloney, Secretary H. H. Witt, H. S. Tressel and L. D. Coyle for the North American; President Steele, Secretary E. A. Sine, and Treasurer C. O. Kuehne for the Chicago Fraternal. The latter had Dec. 31, 1936, the department reports: Admitted assets \$1,942,320, 14,340 members, \$10,624,214 insurance in force, \$404,517 paid by members, \$537,597 total income, \$625,299, total disbursements \$1,871,303 reserve and miscellaneous liabilities, and paid \$441,704 to members.

Palda Heads Bar Group

L. J. Palda, Jr., general counsel A. O. U. W. of North Dakota and a pioneer attorney of that state, was elected president of the North Dakota Bar Association. He is a pioneer attorney of North Dakota, high in his profession, especially as an insurance attorney, and specializes in life, casualty, and general insurance matters. He also is a director of the A. O. U. W.

Finds Training in Public Speaking Is Aid to Agents

Miss Lorraine Sinton, agency service secretary in the Chicago office of the Mutual Benefit Life, whose new book, "Practical Prestige Building," sold by THE NATIONAL UNDERWRITER has made such a big hit, is a contributor to the "Pelican," home office house organ of the company on "Public Speaking." Miss Sinton finds that many agents who do not have ease, poise and voice timbre, have been greatly helped by taking a course in public speaking and in this way have corrected their faults and added to self confidence. She calls attention to a number of cases of life men who have been greatly benefited by this training. In her own office, five agents have taken courses in public speaking. Miss Sinton says that after pursuing their different courses of study the five agents concur in these conclusions:

Conclusions Are Given

1. You don't know what your platform manner really is unless a kind friend tells you the truth. A qualified teacher is the best kind of a "kind friend" for this purpose.

2. Instruction and practice in public speaking is a help to poise and self-confidence all the way along. When you see you can interest and influence people, you find yourself becoming more interesting, because you know what it takes to be interesting.

3. Training in voice placement and in expressing one's self easily and agreeably positively adds to the effectiveness of face-to-face interviews, and of phone work.

Miss Sinton takes the position that assuming a man has ideas of value he gives a definite impression of himself by his voice, vocabulary and manner of speaking. "A rich and colorful vocabulary and an unusual way of saying things," she says, "is a matter of cultivation via the reading and vocabulary

TRULY MUTUAL!!

On July 19-23, 100 delegates from almost all of the states in the Union and provinces in Canada assembled in Detroit to elect officers and to formulate management plans for the next four years. These delegates have been chosen to represent the membership in their respective jurisdictions and it can truly be said that a democratic form of government, exists in this Society. That is why we say—

TRULY MUTUAL

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building route." Effective speakers, she contends, are made as well as born.

In the same issue of the "Pelican," Mildred F. Stone, agency field secretary at the head office, gives a very understanding and informative review of Miss Sinton's new book.

Optimistic Future Seen by Cleary

(CONTINUED FROM PAGE 1)

confronted with the same problem as to safe investment. The average man and woman is in a quandary where to put money with safety. If satisfied with safety there is usually dissatisfaction with the interest or return.

Expensive to Die

In referring to the need of life insurance, Mr. Cleary said men are growing increasingly conscious that it is expensive to die. Estates need liquidity, and the answer is life insurance.

In the first six months of 1937 the Northwestern Mutual Life's ledger assets increased \$29,000,000 to over \$600,000,000 for the first time in the company's history. During the six months the company purchased \$46,250,000 in

bonds with a net increase of \$38,000,000 in bond holdings. The largest single increase was in railroad equipment trust certificates, with low yield but favorable maturity considering there is hope of an upturn in return in the reasonable near future when reinvestment will be advisable.

The average rate of all bonds purchased during the first six months of 1937 equals 3.23 percent, Mr. Cleary said.

For the first time the Northwestern's mortgage loans are below the \$300,000,000 mark since 1925. The mortgage field has been disappointing. In the farm field mortgage loans have been unavailable and the total holdings have gone down to \$86,000,000. Farm properties owned have decreased since Jan. 1. The rate of acquisitions of new properties through foreclosures is more nearly approaching normal levels. There have also been sales of city real estate.

In summing up the situation, Mr. Cleary stated that all factors were in a favorable direction, except the yield on investments which is still discouragingly low although no worse but possibly a little better than the latter part of 1936.

New improved settlement option slide rule and instruction book. \$1.50. Order from National Underwriter.

Cantrall Honored at Northwestern Mutual Life Rally

(CONTINUED FROM PAGE 1)

increase of 106.47 per cent over his three-year average.

As a prologue to the address on "The Power of Quality by Selection" by Dr. D. E. W. Wenstrand, medical director, a playlet, "An Unrecorded Conversation," written by L. C. Jones, home office staff, was presented. It was presumed to have taken place at the time Dr. Wenstrand was appointed on August 1, 1936, as successor to Dr. J. W. Fisher, now medical director emeritus. F. A. Barlett, Milwaukee, took the role of Dr. Fisher; D. W. Jones, Milwaukee, appeared as Dr. Wenstrand, and R. M. Port, Milwaukee, as a Northwestern Mutual agent.

Dr. Wenstrand then outlined the agent's part in underwriting and discussed results in that field. He said:

"A study of business insurance, issues of 1902 to 1933 inclusive, taken from date of issue to anniversary in 1935, has been made by P. H. Evans, vice-president and actuary. This is a large block over 26,500 lives and in excess of 430 millions of insurance. As a whole, both by lives and amount, mortality is satisfactory, approximately our general average. However, there is one disturbing element, namely the group where the policies were issued on the endowment plan. This group includes 873 lives insured for \$13,179,900. The mortality by lives is 40 points higher than that of all plans, and by amount 34 points higher.

Increase in Term Group

"There is about a 10 point increase both by lives and by amount in the term group, which might be expected, but the marked increase among the endowment policyholders can be explained in only two ways, namely, the selection was less critical when an endowment policy was requested or some form of endowment was offered instead of the plan applied for. This was common practice among companies for many years, being one way of granting sub-standard insurance in the past. However, as these figures show and as other older data have shown, this practice is not sound actuarially and should not have a part in quality risk selection. Do not assume that because an endowment policy is applied for we shall rule more liberally."

During the first six months of 1937, 6.9 per cent of all applications were declined. Of these 1.8 per cent were not recommended by the medical examiner, and 2.9 per cent of all authorized, completed applications recommended by the examiner were rejected. There were 2.7 per cent or about 1,000 applications declined because information called for was not furnished. Several millions of insurance were lost to agents because they did not follow through.

Various Groups Meet

Agents and their ladies were guests at the annual dinner, attended by more than 1,200. Edmund Fitzgerald was toastmaster and the principal speaker was Merle Thorpe, editor "Nation's Business" and a company trustee. The closing session stressed another phase of the general theme, "Power to Succeed Through Determination." Fred Repass, Waterloo, Ia., chairman of the standing committee, presided. "The Road Back to Production" was the subject of an address by T. M. Waldrop, of Shawnee, Okla., a veteran agent whose production had totaled \$4,874,532, and who was the first president of the Marathon Club. Mr. Waldrop told how after several years of decline he managed to bring back his production. Following the business session and the election of officers, R. P. Elliot, of Rochester, Minn., described how in his case "Power to Succeed in Being Used" despite a physical handicap. As the final speaker to sum up the convention and to bring a closing inspirational message to the agents,

Grant L. Hill, director of agencies, spoke on "Use Your Power—Now."

The General Agents Association held its luncheon and business meeting, B. J. Stumm, Aurora, Ill., president, in charge. The Agency Supervisors Association met for a luncheon, followed by a business meeting. Hector Dodds, Chicago, president, was chairman. Supervisory problems and techniques were discussed, those in metropolitan agencies by R. W. Emerson, St. Louis, and Robert L. Hershey, Brooklyn, N. Y., urban and rural agencies by Robert Bamber, and W. E. Dunham, both of Louisville; and the agency department attitude and suggestions by Warren W. Lundgren, assistant director of agencies.

A new feature at the Northwestern Mutual gathering was a "Friendship Luncheon" on the first day for agents attending a meeting the first time and leaders from the Marathon Club, 4-L Club, gold, silver and bronze button winners, and the officers and standing committee of the association. Association President F. R. Olsen, Minneapolis, presided. Speakers were R. R. Reid, Chicago, third largest all-time producer of the company, who discussed "My 40 Years With the Northwestern," and Leroy Schultz, Worcester, Pa., bringing a new agents point of view on fundamentals, speaking on "The First Year of a Northwestern Career."

Roger A. Clark, Pittsburgh, presided as president at the luncheon and business meeting of the Chartered Life Underwriters Association. Milton Elrod, Jr., Research & Review, spoke on taxation. The Northwestern Mutual has 135 C. L. U. members. A. J. Johannsen, Chicago agent, is president of the national chapter. Twenty-three of the first 100 producers of the company for the past agents' year hold C. L. U. designations.

Luncheon for Wives

A luncheon and business session was held for wives. Mrs. Sam T. Swansen was hostess, assisted by wives of other company executives and association officers. Mrs. G. T. Guernsey, Jr., University City, Mo., spoke on "We, Incorporated," and W. R. Chapman, assistant director of agencies, related what the company and the agent and his wife are in a position to do to "Make the Market Know Mr. Agent." The ladies were also guests at a garden party luncheon and entertainment at the Wisconsin Club. Mrs. Grant L. Hill was hostess assisted by wives of assistant directors of agencies.

Varied Musical Program for Big Convention in Denver

(CONTINUED FROM PAGE 2)

rangements are now being made for a nationally prominent speaker. Twelve thousand people, Mr. Samuels estimates, will be present.

Max Hoffman, assistant manager National association, was in Denver the past week conferring on convention arrangements.

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SALES IDEAS AND SUGGESTIONS

Prestige Building Stressed at Milwaukee Meeting

With the general convention theme of "The Power to Succeed Is Yours—Use It," the first general session of the Northwestern Mutual Agents Association covered "The Power of Prestige Building." E. M. Lillis, Erie, Pa., was chairman.

Lawrence J. Evans, assistant director of agencies, discussed "Goodwill: \$1 Plus." Goodwill is usually the most valuable of all assets, and it is one of the most valuable of the agent's assets. Goodwill is a product of slow growth," Mr. Evans said. "It cannot be produced quickly. But it can be built deliberately, for every policy, transaction, and relationship of a growing business should contribute directly to the creation of greater goodwill; and this is just as true for an individual agent as it is for a business firm.

Personal Contact is Supplemented by Advertising

"The agent in large part is the company. This is because the most powerful element in salesmanship is the personal man-to-man force of the salesman. The company's national advertising works with that personal salesmanship to help create a greater plus value on your asset sheet, and through that, more sales," said Mr. Evans.

In discussing "The Future Value of a Large Clientele," Lewis Stearn, Minneapolis, presented the viewpoints of a man still under 30 years of age. Mr. Stearn said that because of his youth and limited acquaintanceship he had to resort to the cold canvass method in prospecting but this had proven successful with the result of 106 lives for somewhat more than \$100,000 his first year as a Northwestern agent. He sought and still cultivates young men for the future value of their patronage, selling them relatively small policies at first but in later years building up their life insurance estates as their means permitted and needs required. He maintained that a simple sales talk of no longer than five to seven minutes is much more effective than an elaborate presentation. He also advocated the use of plain, simple terms rather than addressing the prospect with involved, technical terms.

Large Clientele Offers Base for Development

"In 'The Present Value of a Large Clientele,' L. L. Erickson, St. Paul, told how the building of a large clientele in the past has proven to be of great value in present selling. Older policyholders have been further developed, and they have passed word from mouth to mouth concerning the service he has rendered, resulting in developing business among relatives and friends of such policyholders. In recent years, he said, he has paid more attention to quality than quantity, which has been made possible by the groundwork he laid in developing a large clientele in earlier days. Mr. Erickson has been a half-million dollar producer for 19 years, having reported \$12,500,000 on 1877 lives.

H. M. Files, Cedar Rapids, Ia., talked on "Prestige Building in Your Community." Prestige sums up the difference between a success and failure in the life underwriting business, he said. It can be gained by working hard and taking the business seriously. One factor, he said, is to have a thorough knowledge of the business. An agent must keep modern in his business and keep abreast of changes and developments. An agent must not only be a student of the business but of life as a whole. Mr. Files cautioned that knowledge should

not be gained more rapidly than the opportunity for its use and application.

The value of service in building community prestige, was stressed by Mr. Files.

Service builds clients and clients build more clients. Getting the confidence of members of a community, even to the extent of becoming a counselor in business affairs of friends and customers, is a valuable asset that builds prestige. Prestige cannot be forced and must be earned. Community service should be entered into with a conscience and a genuine interest or not at all. He also emphasized the value of cordial, fair and sympathetic relationship with other life underwriters in a community, as good things said by competitors create prestige of value.

Four outstanding producers dwelt upon "The Power of Sustained Effort," with F. R. Horner, Madison, Wis., as chairman. A. H. Smith, Nashville, Tenn., leader of his state, winner of the Class C award who wrote 75 lives for a total of \$718,658 during the last agents' year discussed "Career Building Through Programming."

Three Sales Essentials Are Outlined by Smith

Mr. Smith possesses a detailed record of every call he has made in his eight years with the Northwestern Mutual. Answering his own question, "What constitutes a successful career?" Mr. Smith said three essentials are the desire to earn a steadily increasing income year after year, profit by knowledge gained from prospects and applying it properly, and constantly seeking greater prestige in the community. He said the good life underwriter finds the opportunity of meeting older men, successful men, from whom he is gaining a greater fund of general and specific knowledge with each day. Mr. Smith said service to policyholders never should be considered a waste of time, despite its exactions of many hours of his working week. He said a good secretary was an invaluable asset in handling detail and need not be expensive, citing figures to show that his rent, light, salaries, etc., average but 16 percent of his gross annual income, while comparisons with figures of friends among physicians, dentists, attorneys, etc., show an overhead of from 25 to as high as 50 percent of gross annual income.

J. L. Craig, Chicago, who joined the Northwestern Mutual as a special agent three years ago and each year has won prizes under the honor system, producing \$273,151 on 56 lives during the past agents' year, followed with a talk on "Three Years of Sustained Effort," in which he emphasized the fact that at the outset he built a track and has been running upon it without deviation ever since. He plans his work of the day on the night before, and maintains an intelligent control of his time by records. Mr. Craig remarked that the three "G's" of a successful life insurance salesman are "Grit, Grin, and—Intestinal Fortitude," plus being self-sold on the idea that success can be attained only by hard work and rigid self-discipline. His formula lists first study, then the intelligent use of what is learned, next a study of what happens when the information is applied and applying the effective results until it becomes a habit, and finally, keep a record of results for constant check to keep on the right track.

T. S. Hook, Wayne, Neb., reviewed what it takes to produce under "Sustained Rural Prospecting," and pointed out that a principal difference between a

rural and an urban agent is that the rural salesman has a relatively limited number of prospects while the city man's potential policyholders form a vast number. He said the social security act protects city workers in old age, but the farmer must shift for himself, and he is accepting life insurance more and more as a remedy. Incidentally, Mr. Hook said the government's AAA project is a fruitful source of prospects if its records be used. He said a rural insurance salesman must possess patience, sincerity and simplicity, and discernment regarding such factors as making calls outside of the busy seasons, when the farmer resents being bothered. Mr. Hook said that because the farm tempo is much slower than that of the urban areas, prospects are likely to procrastinate, but the salesman must guard against becoming an insufferable bore. As another thing, cash is usually scarce on the farm and farmers hesitate to borrow to pay premiums, so that an unusually intelligent handling of the finance problem is required of the successful rural life insurance salesman. Rural areas lend themselves profitably to use of such material as blotters, pencils and other advertising novelties, especially among children and young men and women and even the farmhand, all of whose interest and pride is aroused by possession of such material.

Herman Duval, New York City, volume leader for the past agents' year with production of \$1,588,350 on 160½ lives, spoke. This number again won for him membership in the Marathon Club, as for 22 consecutive previous years, or since the club was founded for agents writing 100 or more lives a year. Mr. Duval joined the Northwestern April 1, 1905, and in speaking on the topic "Thirty-two Years of Sustained Effort" brought into review a rich experience, the recital of which was particularly of deep interest to the younger agents and more especially those attending their first agents' convention. Mr. Duval said he was as enthusiastic over life insurance selling today as he was 32 years ago, and he still regards it as a truly noble profession and a real service to mankind.

Mr. Duval said when he started his career it was the custom for a new agent to become apprenticed for a year or two with an established agency, and he said the custom might well be revived in order to give young men entering the business something of a background of practical experience not always gained by them in training schools of greater or lesser duration. The cold canvass was championed by Mr. Duval as the backbone of his endeavors, for calls on strangers can be made as fruitful as calls on friends or acquaintances and the results of such calls form an education in themselves. Most important of all, Mr. Duval declared, is to make every minute of an agent's working hours count, for nothing is so valuable as time.

Some other pointers Mr. Duval gave the young as well as the older agents were: Time your calls to coincide with the prospects' open mind and low-pressure hand; cultivate your prospects' secretaries and office receptionists, for they frequently can sell a contract for you; don't waste too much time on inventories, for a simple letter is much better than a long drawn out and elaborate portfolio; always look at your prospect and watch carefully his reactions; don't stay too long when you sense impatience; gain your prospects' confidence by learning something about their individual problems, study them, and try to be helpful in their solution without seeming to be butting in; never think of the commission you may get while doing the selling job, and finally, if you sell a man at 9 a. m., don't quit for the day because you have made a piece of money, for selling another man at 10 a. m., another at 11 a. m., and so on throughout the day will prove successively easier than the previous sale.

SALES IDEAS OF THE WEEK

"See Me After My Vacation"

At this time of year agents are often told "See me after my vacation" and "Business is slow now, see me in the fall." In the "Nyllic Review," F. J. Ploger of the Bruchholz agency of the New York Life in Chicago, told how he handles these objections:

"When a prospect asks me to see him after his vacation I know I have aroused his interest but not enough to make him want insurance immediately. Therefore I partly agree with him at the outset and talk about his plans for vacation," said Mr. Ploger.

"Then I return quickly to life insurance by saying, 'By the way, how would you like to have the benefits of this insurance while you are speeding over the highways, canoeing, fishing, swimming (or whatever his usual pastime may be) and when you come back we will arrange the payments to suit your convenience?'"

"A quarterly premium payment will cover the prospect until fall and can then change his premium to an annual basis."

"In handling the second objection, I usually say, 'If business is slow now, Mr. Jones, the net worth of your business might be worth less to your widow and children than if business were good. This additional life insurance suggested will fill the gap. Sometimes when business continues to be slow, poor health follows. If this should happen to you, all the money in the world wouldn't buy the life insurance you would like to have.'"

* * *

Urges Depreciation Fund

Business life insurance is "the projected shadow of good management," said J. A. Avary, Jr., assistant vice-president First National Bank of Atlanta, in speaking to the Birmingham Association of Life Underwriters.

Business concerns regularly set up a fund for depreciation of machines and equipment, but often overlook building a reserve to take care of depreciation of the directing heads, said Mr. Avary. Mr. Avary cited a number of case histories from his own bank's files to show how business insurance had tided corporations over the transitory period where death caused a change in management. It is not a rate book which agents carry in their pockets but "a depreciation schedule of human values," he said.

* * *

Why Salesmen Fail

Agency Manager J. A. Bumstead of the Equitable Life of New York at New Orleans offers an interesting survey as the result of a series of discussion held by the Sales Managers Council, which is an organization composed of about 100 executives, as to why salesmen fail. The percentages are as follows:

1. Lack of industry, 31 percent. Most of us are physically lazy.
2. Failure to follow instructions, 12 percent. Many of us know a "better" way than that of the home office.
3. Lack of knowledge, 12 percent. We just won't study our stuff.
4. Lack of aggressiveness, 10 percent. Many of us are faint-hearted.
5. Lack of persistence, 10 percent. Many of us quit too easily.
6. Lack of enthusiasm, 8 percent. Be a showman, but be sincere. Be good-natured. Feel you own your company.
7. Lack of intellectual honesty, 8 percent. Many cut corners.
8. Lack of tact and courtesy, 4 percent.
9. Intemperate habits, 4 percent.
10. Poor health, 1 percent.

Outside Viewpoint on Life Insurance Advertising Given

(CONTINUED FROM PAGE 3)

agent, picked up the narrative at the point where the printed matter relating to the campaign was received in his office and from there distributed to the agents. Records are kept on results and interviews and the final summary of results, showed traceable business of \$800,000 in June.

The question was raised as to whether agents would not be inclined to hold business up to report in contests. With the Lincoln National, Mr. Fisher says, this does not occur as it has regularly planned special efforts through the year, so timed that they do not overlap.

Use of National Advertising

J. C. Elliff, western manager "Saturday Evening Post," speaking on "Are Life Insurance Companies Using National Magazines Correctly?" said life insurance has an advantage in that its appeal has not the limitations found in other fields. The public does not grow out of its interest in what life insurance has to offer, as it appeals from youth to age.

He displayed charts showing advertising trends by life insurance companies during the depression, and said advertising is entitled to 75 percent credit in a sale by building up public confidence and receptiveness, but the agent closes the sale. "Advertising carries the ball and the agent runs the interference." He recommended getting ideas about advertising from agents in the field who know what will help them to sell.

E. A. Krueger, State Life, opened a discussion on "Is Life Insurance Week in Its Present Form Too Much Sugar for a Cent?" Mr. Krueger, who has handled publicity very successfully for Life Insurance Week in Indianapolis for several years, told of the trend away from the high pressure methods that originally prevailed, with luncheon speakers and intensive canvass, to the "take it or leave it" attitude that was maintained this year. He said the reaction in Indianapolis was favorable because of the tendency to relieve the selling pressure in favor of dissemination of helpful information on life insurance protection.

A. W. Barnes, advertising manager Illinois Bankers Life, read part of a list of 95 special weeks which he had compiled. Many of them were so absurd that his point to the effect that the special week idea is being overdone needed no further comment. He said that he had also uncovered 25 special days and innumerable tag days.

Outdoor and Other Advertising

C. O. Bridwell, New York, vice-president Outdoor Advertising, Inc., said it is possible to place advertisements on uniform billboards in 18,000 cities and towns in the United States. "We tap 85,000,000 of our population," he said. Brevity is necessary in outdoor advertising as it must be read while the observer is in motion and it is designed to meet this condition. Commenting on the Insurance Week discussion, Mr. Bridwell said it seemed incongruous to him for the word "life" to be followed by the word "week." Brevity strengthens advertising copy, he said.

Following a discussion of "Advertising in Fly-by-Night Trade Journals," a motion was carried to recommend to the Life Advertisers Association at the meeting in September that steps be taken to set up machinery for securing information as to circulation of insurance journals for the use of members of the association.

N. A. Owings of Skidmore & Owings, industrial engineers, said he asked a half dozen life insurance men to tell him why he should buy life insurance from their particular companies and in no case was the answer convincing. He got the impression they did not know the answer. He compared this appar-

ent uncertainty with the specific reasons with which an automobile salesman is primed as to why his prospect should buy that particular car.

He cited instances that had come to his attention where life insurance had served a wonderful purpose but the opportunity had been lost by not humanizing the closing of the transaction. Cold delivery of an endowment check without comment or commendation as to the sacrifice the recipient had made to complete the contract is to lose a chance to make the most of the occasion, in his opinion. "Did a life insurance company ever send flowers to a bereaved family?" he asked.

Life insurance companies have been doing a lot for their 60,000,000 policyholders and they should be letting the world know about it instead of hiding a kind heart behind a grim face," he said. What they are doing to combat disease and to promote safety should be publicized.

He said life insurance muffed a big opportunity at the Chicago world fair. He recommended advertising through public schools, county fairs, "and when you get a chance for a big spot at a world fair or exposition get into it in a big way—or don't go in at all." One big life company, he said, has signed up for the coming New York exposition.

C. C. Fleming, Life of Virginia, president Life Advertisers Association, extended an invitation to all present to attend the annual meeting of that association at Old Point Comfort, Sept. 20-22.

Many Company Officials

Company men in attendance were C. C. Fleming, Life of Virginia; J. H. Snyder, Commonwealth Life; L. R. Thomas, Hazel P. Williams and Norman Gill, American United; J. H. McCarroll, Bankers, Iowa; Fred L. Fisher and John White, Lincoln National Life; B. L. Compton, Mutual Life, N. Y.; R. C. White, Franklin Life; A. H. Kahler, E. B. Raub and Doyle Zaring, Indianapolis Life; J. M. Drake and H. L. Drake, Jr., Empire Life & Accident; A. U. Cooper, Provident Mutual Life; H. G. Woodbury and C. C. Deitch, Reserve Loan Life; E. O. Burget and A. C. Louette, Peoples Life, Frankfort, Ind.; Floyd A. Fisher, American United Life.

Those attending were guests of the "Insurance Salesman" for luncheon and of the American United Life at dinner and a baseball game in the evening.

Chairman Wade had asked Indianapolis general agents and managers each to select three pieces of their home office literature that had clicked most decidedly with their agents and these were displayed on panels around the assembly room walls. It was Mr. Wade's idea that it is more important to know what the men think of the tools that are furnished by the home office than to have the opinion as to merit from their source.

Washington National Men All of Long Experience

(CONTINUED FROM PAGE 6)

1915 as vice-president. He was formerly connected with the Southern Mutual Aid and the Kentucky Central Life & Accident. He has spent his entire life in insurance work.

Curtis P. Kendall became an agent of the Washington National in 1918, and in February, 1925, after service in the field in various capacities he became secretary and in 1926, vice-president.

H. Brookes Kendall, who became vice-president in 1932, started his insurance career in 1918 with the Kentucky Actuarial Bureau at Louisville. He joined the Fidelity Life & Accident in 1923. Treasurer Claude P. Kendall has been treasurer of the Washington National since 1926. He was formerly a banker at Louisville and then became manager and head of the claim department for a large eastern insurance company.

Resident Vice-president J. J. Krist at Baltimore is one of the outstanding industrial men of the country and has

charge of the eastern industrial division of the company.

L. B. Hoge of San Francisco, resident vice-president, has charge of the Pacific Coast department.

Harry N. Lukins, general counsel, started with the Fidelity Life & Accident and has continued with the present Washington National.

Financial Scope of the Company

The Washington National has 200 home office employees and 2,800 agents, which make it a very sizable institution. With the accretion from the Great Western Life it will have a much larger organization and this adds much to its stature.

Cut in Group A. & H. Rates Runs As High As 10 Percent

(CONTINUED FROM PAGE 3)

group specialists appreciated that the rates were too high.

Those in charge of group production are now endeavoring to get agents to capitalize on the reduction in rates to sell new contracts. Others are attempting to get agents to solicit employers to carry group hospitalization plans.

The improvement in morbidity ratios justifying the rate reduction, is attributed to a variety of factors. For one thing, the increased use of medical examinations of employees at the inception of employment and periodically thereafter is causing an improvement. Another factor that has had some effect and is expected to increase in importance is that in a number of states so-called occupational diseases are being made compensable on much the same basis as occupational accidents have been. Group accident and health contracts are non-occupational. They do not cover accidents suffered in the course of employment except for those workers that are not covered under the compensation laws and in those states that do not have compensation laws. Where occupational diseases are compensated, the group A. & H. carrier is not liable. Accordingly a certain number of sickness claims are now being avoided under group covers and as the principle of compensating occupational diseases is extended to new states, the group costs will be further decreased.

Maximum Rate Is Fixed

The actual benefit from a reduction in the cost of group insurance goes to those risks that are not entitled to a dividend or experience credit on account of a good loss ratio. The rate quoted is a maximum rate. Those risks that have enjoyed good experience have been getting rate credits under the formulas applied by the various companies, so that the net cost has not been out of line. With a lower initial premium, the result may be that the dividend or experience credit for low morbidity may be reduced.

Some risks today are paying as little as 35 percent of the manual rates because of good experience.

New Oklahoma Law at Issue

OKLAHOMA CITY.—Involving the question whether an act of the 1937 legislature prohibiting issuance of a certain type of contract is applicable to companies which offered it prior to the act's passage, Federal Judge Vaughn will hold a hearing Sept. 6 on a temporary order to restrain Commissioner Read from enforcing a ban against the "perfection endowment" policy of the Liberty National Life.

The act bars sale of policies on a plan by which holders are grouped for benefit purposes, and Commissioner Read invoked it against the Liberty National Life. The company asserted the act could not be invoked against its policy, which was offered prior to passage of the new law.

More money with accident. Read Accident & Health Review for details. \$2 a year. 175 W. Jackson, Chicago.

Opinion Is Rendered on Oklahoma Property Law

The new Oklahoma act imposing a penalty on corporations for holding property for more than seven years, as limited under the constitution, was construed and interpreted by the attorney-general in an opinion to County Attorney Carter of Durant, Okla. The act is the modified law substituted for the dangerous escheat bill that was considered recently by the legislature and caused much concern to life companies owning property in Oklahoma.

Effective date of the act is not made clear in the bill but the attorney-general rules it is Aug. 10, 1937. The seven year limitation applies to the total period of possession, the opinion states, and does not begin to run from the effective date. He rules that when a corporation divests itself of title to property, the intent and purpose of the act has been accomplished. Therefore, a bona fide gift of real estate effectually disposing of all right, title and interest in the real estate complies with the act.

He states the act does not authorize corporations to hold real estate in violation of the act for seven years after the effective date of the act. Further, a corporation holding real estate in violation of the act on its effective date is subject to penalty. The act specifies that holding real estate in violation of the act in addition to other penalties involves a levy for the first year of 1 percent of the property's assessed value and the law requires corporations to pay a penalty for unlawful holding of real estate during each calendar year or portion thereof.

Therefore, the attorney-general rules, a corporation holding a tract of real estate in violation of the act during any part of 1937 subsequent to Aug. 10 is subject to the penalty provided for if the tract of real estate is unlawfully held on Jan. 1, 1938, the corporation will be subject to the penalty provided for the second year.

In addition, he rules, every corporation owning or holding any real estate in violation of the act within 90 days from Aug. 10 must file statement containing a list of real estate held in violation of the law.

This new law, known as the corporation land law, was house bill No. 77 and appears as article 1, chapter 46 of Harlow's sessions laws of 1937.

John Hancock Mutual Life May Enter Texas; Wood Surveys the Territory

J. Harry Wood, manager of ordinary agencies of the John Hancock Mutual Life, has been in Texas laying the ground work should his company decide to enter the state. He has been interviewing some field men. If the company enters Texas, offices will probably be opened in the major cities Sept. 1, Mr. Wood states. John Hancock Mutual, he explains, never has operated in Texas. It has operated a large loan office in Dallas for a good many years and has millions of dollars invested in the state.

A good many of the eastern companies have been looking upon the Texas field in the last few years. Connecticut Mutual, Equitable Life of New York and State Mutual Life have gone into Texas rather recently.

Correction as to Littlejohn

In the article concerning the death of James P. Sullivan, reference was made to A. C. Littlejohn of Springfield, Ill., with the erroneous statement that he is in the penitentiary. Littlejohn is free pending an appeal from his conviction in federal court on a charge of using the mails to defraud in connection with his insurance operations.

RECENT COURT DECISIONS

Took Overdose of Sedative

Voluntary Action Doesn't Necessarily Preclude Recovery Under Double Indemnity Feature of Policy

The New York appellate division, second department, has reversed the judgment that was given in favor of the insurer and granted a new trial in the case of Meyer vs. New York Life. The lower court dismissed the complaint of the beneficiary, who sought to collect double indemnity benefits of \$10,000 on the ground that death caused by unwittingly taking an overdose of sodium oral, a sedative, constituted death by accidental means. The beneficiary was entitled to present the question of fact to the jury, according to the higher court.

In New York, according to the higher court, the definitions of accident and accidental are not strictly limited to the sudden application of some external and violent force, but include something that happens which causes injury or death, where the original act was a voluntary one, leading not to the natural and probable consequences, but to an unforeseen result. Likewise, it is not always necessary that the words "external and violent" shall be interpreted as related to a blow or fall; but they are given a wider sweep as elements of causation where bodily injuries follow. In the ordinary understanding, the unexpected result in this case of taking a sedative would be an accident caused by some violent reaction of the drug taken, exercising a force external to its natural effect; and with death resulting from an accidental cause. The voluntary character of the act undertaken did not exclude either accidental means or accidental results in fixing liability based on accidental cause in the case of injury or fatality not designed or expected.

Construes Issue Under Form Covering Entire Family

The Colorado supreme court was called upon to decide a controversy in connection with \$1 a month contract covering all members of the family that was issued by the International Service Union Company. The plaintiff was Mascarenas.

The certificate insures all immediate members of the family—husband, wife and unmarried children. On the death of any member, but as to one member only, the company undertakes to pay a sum determinable from a schedule set forth in the certificate. The certificate was issued Feb. 9, 1934, and it required the payment of \$1 a month on the anniversary date.

On Oct. 12, 1935, the husband, who was away from home, died suddenly. The wife claimed that on Oct. 11 she sent to the insurer by mail \$1. The company's receipt for the remittance is dated Oct. 14.

There is nothing to indicate that when the company issued its receipt it knew of the husband's death and the trial court's findings absolved the wife from the charge that she mailed the required payment after her husband's death. The company contended that the certificate had lapsed.

The supreme court observed that the certificates provide that any payment accepted after expiration of grace period shall reinstate certificate. That is precisely what occurred here, according to the court. Where with knowledge of the death of the assured, the company

retains a premium payment without which liability would not attach, it is estopped to deny liability. The rule applies even when the insured was dead when the premium was paid.

International Service Union says that since its certificate insured the lives of all members of the family, while a member of the family continues in life, the certificate remains in force and that it rightly retained the October payment on that account. The court took a contrary view, pointing out that the certificate undertook to pay death benefits on the death of one member only. While the certificate insures the lives of all members of a family it does not continue until the last member shall have passed. Upon the death of any member the certificate matures and when payment is made on account of such death the company is no longer obligated. By retaining the premium the company brought itself within the rule of liability as adjudged by the trial court.

Sunset Mutual Bound by Holding Against Reinsured

The Sunset Mutual Life of California has been held liable by the California supreme court for the full amount of a judgment obtained by a policyholder against the Roosevelt Mutual Life Association, which was reinsured by Sunset Mutual. The case was Sawyer vs. Sunset Mutual.

The amount of the judgment was \$3,000. That was the face of the policy, but there was a provision that if there were fewer than 3,000 members in the association at the time of the assured's death, the recovery should be at the rate of \$1 per member. Sunset Mutual contended that the liability should be only \$820, because there were only 820 members.

Sunset Mutual, the supreme court held, is bound by the adjudication of the trial court in the suit against Roosevelt Mutual as to the amount of liability. It is not necessary for a reinsurer actively to participate in the defense of the action, provided it is proved that the reinsurer has notice of the pendency of the action and is afforded an opportunity to defend, and the defense is carried on without fraud or collusion by the original insurer. The issue with reference to the number of members in good standing in the Roosevelt Mutual was not available to Sunset Mutual as a defense.

Benefit Concern Is Upheld

The Fidelity Mutual Benefit Association has been upheld by the Illinois appellate court, second appellate court district, in limiting a death payment to one-fifth the face of the certificate. The policy provided that if death resulted within 12 months from bacterial trouble only one-fifth would be paid. The assured died from lobar pneumonia. The mutual benefit concern contended that the cause of death was bacterial trouble. The court held that the testimony that lobar pneumonia is a bacterial trouble was not refuted. There was nothing for the trial court to do but to render judgment for the mutual benefit concern.

Common Disaster Opinion

A "common disaster" decision has been handed down by the Minnesota supreme court in Miller vs. McCarthy.

Miller was the assured. His wife was the beneficiary. Both were killed in an automobile accident. The question is whether the wife survived the husband. Policy stipulated that in the event of

the death of the beneficiary before the death of the insured, the interest of the beneficiary in the policy should rest in the insured, the insured also retaining the right to change the beneficiary. The administrator of the husband's estate and the administrator of the wife's estate both claim the funds.

The court held that the burden was rightly placed upon the representative of the wife's estate to prove that she survived her husband. The court held that the procedure at the trial was proper. The request of an autopsy was delayed until a few days before the day set for trial and the refusal to then grant the same cannot be held in abuse of discretion. Judgment in favor of the husband's administrator was affirmed.

Copy of "App" Not Required With the Reinstatement

The provision in the Mississippi law requiring life companies to deliver to the assured with the policy a copy of the application does not have reference to any reinstatement subsequent to the original delivery. This was the decision of the Mississippi supreme court in holding against the claimant in Walker vs. Acacia Mutual.

There was no denial that in the application for reinstatement false statements known to the assured were included. However, the beneficiary relied on the provision cited above. Had it been necessary that the old policy be surrendered and a new one issued and delivered, or had this, in fact, been done, the court stated, it might be that a different case might be presented, but so far this record shows, the old policy remained in the possession of the assured at all times after its original issuance and delivery.

Upholds Parol Gift of the Policy to First Spouse

On the theory that a life insurance policy may be the subject of a parol gift, the Florida supreme court has held that the first wife of the assured is entitled to the proceeds against the claim of the second wife. The case was Shannahan vs. Shannahan.

Bernice Shannahan, the first wife, was the named beneficiary. Frequently before his death the assured requested the insurer to change the beneficiary to Catherine Shannahan, but he did not deliver the policy for that purpose and no change had been made. He was confined to a hospital and his nurse later became his second wife. At that time he decided to abandon his first wife and children. Before doing so he gave his first wife the policy, telling her that he was through paying on it and that she could do what she pleased with it. Bernice Shannahan kept the policy in force for several years with her own earnings, openly resisted all efforts on the part of the assured to recover it and always contended that the policy was hers.

Occupational Lie Voids Cover

On the ground that the assured, in his application, had lied about his occupation, the Kansas supreme court has held that the insurer is not liable as a result of the death of the assured. The case was De Pee vs. National Life & Accident.

The assured was killed in a gun battle with police officers. In his application he stated his occupation for 14 years pre-

Paid-up Option Applies Is Illinois Court Finding

Frequently attempts are made in the courts to get around the automatic paid up option by contending that a dividend under the policy should have been applied to keep the policy in force on a regular basis. Usually these attempts are unsuccessful. Illinois appellate court, second appellate district, in Rawson vs. John Hancock Mutual recently was presented with this issue and held for the insurer. The assured died June 30, 1933. The premium that was due April 18, 1933, had not been paid. Not having elected any other option, John Hancock exercised option A that under the circumstances provided \$7 paid up insurance.

The cash surrender value was \$4.06. The beneficiary contends there was a dividend of \$8.19 due and that the dividend plus the cash surrender value equaled more than enough to pay the premium due April 18. The resolution under which the dividend was declared provided for disbursement for policies, which shall be in force on their respective anniversaries in 1933. This policy was not in full force on that date and the beneficiary is entitled only to the paid up insurance, the court found.

ceding the application had been that of a plasterer. As a matter of fact for half that period he had been in jail and was a parole convict at the time of his application. The misrepresentation was material to the risk and rendered the policy void from its inception.

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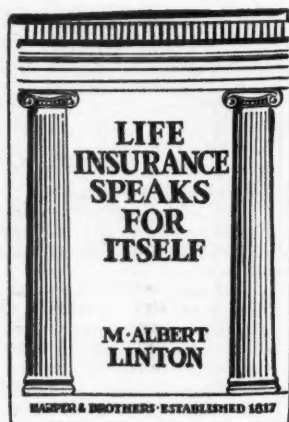
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